

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Japan defends terror deal

Five armed Japanese Red Army terrorists are due to fly to Libya this morning together with their five colleagues freed by the Japanese Government after a four-day kidnapping drama in Kuala Lumpur.

Accompanying them as hostages aboard the special Japan Airlines DC8 were the U.S. Consul to Kuala Lumpur, the Swedish charge d'affaires, and four senior Japanese and Malaysian officials.

In Washington, Japanese Prime Minister Mr. Takeo Miki said his Government had yielded to the group's demands because "I think the sanctity of human life should be protected first and foremost." He rejected the view that meeting terrorists' demands simply encouraged them.

India may curb courts

As India's Upper House passed the law clearing Mrs. Gandhi of a High Court conviction for electoral malpractices, Law Minister Mr. R. K. Gokhale suggested that the Constitution might be altered to exempt some politicians from challenge in the courts. Back page

Government wins Court Line vote

The Government won a Commons vote over claims by the Ombudsman that Mr. Anthony Wedgwood Benn had misled Court Line holidaymakers by creating "undue confidence" in the company. Back, page 12

Spanish 'power struggle'

Two Madrid newspapers reported speculation that Prime Minister Carlos Arias Navarro might soon be replaced as a result of pressure by hard-line elements in the Franco regime. Page 6

Borders curfew

The Rhodesian authorities are maintaining a dusk to dawn curfew on the borders with Botswana and Mozambique following disappearances of young Africans, apparently to join the guerrillas. ANC leader Bishop Muzorewa said the Foreign Secretary in London today. Page 5

Gas kills three

Three men were killed by methane gas at a building site alongside Watney's Mortlake Brewery, London. A fireman was taken to hospital.

Carolina verdict

A judge in Raleigh, N. Carolina, dismissed first degree murder charges against a 21-year-old black woman who stabbed a white jailer whom she claimed was trying to rape her.

Hiroshima plea

The mayor of Hiroshima called for the abolition of nuclear weapons at a ceremony marking the 30th anniversary of the world's first atomic attack which killed 200,000 people.

Briefly...

Government appointed committee to investigate House of Commons catering department's accumulated deficit of £20,000. Commons gave a first reading to Private Bill, sponsored by Bournemouth MP Mr. John Cordle to outlaw squatting. Page 12

An official creditors' meeting voted to make the missing Lord Lucan bankrupt. His debts were put at £45,000 and his assets at £22,632.

Stuntman Blondini surfaced for a haircut after 78 days in a glass-topped coffin at Manchester's Belle Vue.

Prince Charles has caught nine salmon since arriving in Iceland on Sunday.

Impresario Sir Peter Dabney died, aged 54. Obituary Page 3

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

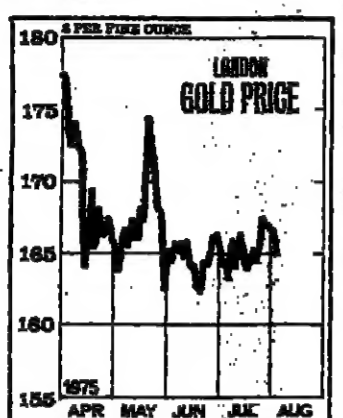
RISES	FALLS
Austin (J.) Steel 48 + 4	Town & City 8/14pc 94-99 480 + 4
Empire Stores "new" 33 + 4	BP 473 + 5
Finlay (James) 33 + 3	Clairmont 35 + 4
Flitzwiller 36 + 3	Pancontinental 315 + 4
Glynwed 68 + 6	Poko-Wallend 280 + 10
HK & Shanghai Bkg. 205 + 5	Waterval 194 + 4
IC Gas 385 + 10	
Inchape 317 + 13	
Jardine Matheson 310 + 10	
Land Securities 139 + 3	
Lyons (J.) "A" 122 + 4	
Merrycourt 36 + 5	
North Western 130 + 1	
Osvald 132 + 4	
Pilkington 205 + 5	
Racal Electronics 300 + 5	
Rank Org. "A" 125 + 3	
Renold 107 + 1	
SA Distillers 370 + 20	
Tarmac 112 + 4	

BUSINESS

Late trade extends losses in gilts

● **EQUITIES** ended lower as prices drifted down after a firm start. The FT 30-share index closed 2.4 down at 287.2, but business was again very thin.

● **GILTS** were unsettled by the weakness of sterling, particularly at the longer end of the market where after-hours trading extended closing losses of 1 by a further 1.



● **GOLD** eased 87c to \$164.87.

● **DOLLAR** resumed its advance, its weighted depreciation narrowing to 3.31 per cent (3.05). Sterling lost 140 points to \$2.1275; its depreciation rate was 37.2 per cent (36.9).

● **WALL STREET** closed 3.52 higher at 813.67 on bargain hunting.

● **INEFFICIENCY** in U.K. industry will be troned out, says a report under a new scheme for tackling the problem being worked out by the Government. Page 8

● **INSTITUTIONAL** intervention in industrial management—recently encouraged by the Bank of England and the CBI—was attacked by Mr. David Hopkinson, chairman of the unit trust council, M. and G. Group, who warned of a new bureaucracy of investment managers. Back Page

● **DEVELOPMENT LAND** Tax White Paper is expected today. Page 8

● **BRITISH LEYLAND** shop stewards have accepted for a 12-month trial, company proposals on industrial democracy which stop short of putting workers' representatives on the Board. Back Page

● **ROLLS-ROYCE** is to receive £5.5m more from the Government to help develop the more powerful Dash 524 version of the RE-211 engine. Page 8

● **POST OFFICE** Users' Council, rejecting the proposed postal and telephone price rises as too high, put forward its own plan for cutting the Post Office deficit. Page 7

● **BRUSSELS COMMISSION** has warned the U.S. against "anti-dumping" measures which the U.S. Treasury is considering against EEC car exports. Page 4

● **ITALIAN** industrial output dropped by 10 per cent in June, reinforcing fears of substantial unemployment. Page 6

● **GLYNWED** reports first-half taxable profits cut by £1.7m to £5.25m. Page 16 and Lex

● **GEI INTERNATIONAL** has made a £3.5m bid for Tolennol. Both companies are headed by Irish accountant, Mr. Thomas Kenny. Page 17

● **LUFTHANSA** is to make a rights issue to raise DM210m (£36.33m), but says this does not herald any major expansion. Page 18

Scottish closures—but BSC must keep on more men

BY HAROLD BOLTER, INDUSTRIAL EDITOR

The British Steel Corporation has won Government approval for a plant closure programme in Scotland involving a net loss of about 2,100 jobs—a third of the number envisaged two years ago.

However, it will have to wait until the autumn at the earliest before a decision is taken on the future of steelmaking at Shotton on Deeside, where 6,500 jobs are in jeopardy, and other development proposals.

With previous Government decisions on manning levels in England and Wales, the Scottish announcement means that the BSC will have to continue employing some 15,000 more people than it has intended under its 10-year development strategy.

The Government's decision on Scotland, announced yesterday by Mr. Eric Varley, Secretary for Industry, follows a lengthy review of steel industry closure plans carried out by Lord Beswick, the Minister for Industry.

It was greeted with cautious approval by senior trade union leaders, undisguised relief by many Labour MPs in Scotland, and resignation by the BSC management.

"We came out of this less harmed than we might have been," Sir Monty Finiston, the Corporation's chairman, commented. "But that is not to say that I am happy about it all."

In fact the BSC management is more concerned about the obvious omissions from its second Beswick report than its contents. Most of the development plans for Scotland, helping employment there, were put forward by the Corporation itself and are felt to be commercially viable.



The affected open-hearth plants

But the Government has still not made up its mind whether the BSC should be allowed to end steelmaking at its Shotton works, or close plate mills at Harrogate and Consett.

Lord Beswick said yesterday that a decision on Shotton would not be taken for "another two or three months." This is a considerable disappointment to the BSC management.

Until the Corporation knows whether it will be allowed to go ahead with a phased closure of steelmaking at Shotton, already set back from the 1978 period to 1980-81 at the earliest, it cannot press ahead with its expansion plans for Port Talbot in South Wales.

The BSC's intention is to increase steel production at Port Talbot from 3m. tonnes a year

to 6m. tonnes, effectively replacing the tonnage it currently obtains from out-dated open-hearth steelmaking plant at Shotton.

"In the context of Shotton I think the closure review shows a negative attitude towards the development programme of the Corporation," Sir Monty complained.

"The BSC has to have more modern equipment, of the kind planned for Port Talbot, if it is to produce steel of the quality and quantity needed by its customers and at a reasonable price."

Sir Monty pointed out that because of delays in reaching a decision on Shotton, despite more than 50 meetings involving Government, BSC management and trade union representatives, the cost of carrying out the Corporation's plans for Port Talbot had risen from the 1973 projection of £431m. to some £550m. now.

Delay
Explaining the Shotton delay, Lord Beswick said: "We have to take into account the obvious effect of any closure there on the community at Shotton."

"The Corporation's proposals would involve the loss of 6,500 jobs in a workforce of 37,000—and that is something you do not do without the deepest consideration."

Continued on Back Page

Government seeks new curbs over tobacco

BY MICHAEL THOMPSON-NOEL

THE GOVERNMENT is now prepared to take stronger action to minimise the risks to health from cigarette smoking.

Dr. David Owen Minister for Health, told the Commons yesterday that it would prefer to enter into a voluntary agreement with the industry but was prepared to use its statutory powers.

"Negotiations by successive Governments with the tobacco industry have made only limited progress," he said.

The way in which tobacco products are made, sold and advertised should be subject to the same considerations as other drugs of addiction which can be dangerous to health," Dr. Owen said.

Sports

However, the Minister made no mention of any ban on sports sponsorship and similar promotions which had been expected both by the tobacco industry and sporting interests.

Indeed, Mr. Denis Howell, Minister for Sport and Recreation, in a separate statement, firmly denied reports that cigarette companies faced a total ban on sponsorship—currently valued at an estimated £4m. yearly.

Mr. Howell said he hoped to have talks this autumn with the tobacco companies to secure a voluntary code of conduct for the promotion and advertising of sponsored events. The Department of the Environment said later the object was to prevent the unbridled growth of more sponsorship, not ban it altogether.

Nonetheless, Dr. Owen made it clear that the restriction of voluntary agreement but said promotion and the introduction of codes of practice for tobacco tobacco as addictive.

advertising and sponsorship were needed.

He was replying to questions in the Commons from Liberal MP Mr. John Pardoe and Labour's Mr. John Parker, who asked if the Government would consider banning the advertisement of cigarettes.

Dr. Owen, referring to recent estimates that smoking caused 50,000 premature deaths in Britain and considerable suffering and ill-health, said the Government had a responsibility to "respond to this overwhelming medical and scientific evidence of the dangers to health from tobacco products, especially from cigarettes."

"In the Government's view, what is needed is machinery analogous to that provided for in the Medicines Act, 1968, which will enable action to be based on advice from an expert and independent advisory committee after consultation with interests likely to be substantially affected."

"The application of tobacco products of such provisions would cover the regulation and control of such matters as the use of substitutes and additives, reductions in the yields of tar, nicotine and carbon monoxide, health warnings and information on advertisements and packets, codes of practice for advertising and sponsorship."

Talks would be held with the tobacco industry, the Medicines Commission and the Independent Scientific Committee on Smoking the tobacco companies last night welcomed the reference to voluntary agreement but said promotion and the introduction of codes of practice for tobacco tobacco as addictive.

Mr. R. A. Garrett, chairman of Imperial Tobacco, said last night he welcomed the Minister's ambition to reach voluntary agreement with the industry and said that in the past, initiatives such as the publication of tar and nicotine tables and the search for tobacco substitute materials had first been taken by the industry.

Deplored
But he added: "We reject the Minister's use of the phrase 'drugs of addiction' in relation to tobacco and point out that nicotine is not an addictive drug within the definition used by authorities such as the World Health Organisation."

Mr. Garrett said his company had always pursued a policy of making all its scientific research freely available, and that the company was at present spending £2m. on research.

While his remarks were echoed by spokesmen for Gallaher and Rothmans, Dr. Ball of Action on Smoking and Health deplored the lack of strong anti-smoking measures.

"If the Minister believes, as he says, that tobacco must be treated like other dangerous drugs of addiction, it is absurd that it should be openly advertised and promoted," said Dr. Ball.

It seems that the powerful tobacco, advertising and sports lobbies have the Minister of Health from taking the action he knows to be necessary. We welcome the Minister's strong words, but his statement today will disappoint all those who believed that he might be able to live up to them with strong measures."

Pound at new low against dollar

By William Keegan, Economics Correspondent

THE POUND fell nearly 11 cents against the dollar yesterday to a new all-time low of \$2.1275. At the same time its weighted depreciation in terms of all leading currencies widened a further 0.3 per cent to 37.2 per cent below December 1971 levels.

The decline in sterling's value yesterday was no greater than what experienced by other key EEC currencies, against the background of a general improvement in the U.S. currency.

STERLING
\$ AGAINST THE POUND
240
220
200
180
160
140
120
100
80
60
40
20
0
1971
1972
1973
1974
1975

from 3.05 per cent to 3.51 per cent below December 1971 levels on a weighted basis.

Even so, there is some apprehension among foreign exchange experts about the continuing fall in the sterling/dollar rate, because of its importance in the calculations about where the oil producing countries keep their funds.

Intervention
Sterling was relatively protected from the dollar's rise last month because of the strong demand for pounds for oil royalty payments.

This month the opposite effect is being felt—some of these funds are being redeposited by OPEC countries in other centres.

The Bank of England again intervened to steady the sterling/dollar rate yesterday.

At times yesterday there was quite a good two-way market in sterling. It was after the entry of New York during the afternoon that the pattern became more obviously one way, with the pound sliding from \$2.134 to \$2.1275 after 3 p.m.

£ in New York
Aug. 6 Previous
Spot 80.124-125 80.120-120
1 month 80.21-22 80.21-22
3 months 80.31-32 80.31-32
12 months 80.41-42 80.41-42

Lisbon sends marines to Oporto rally

BY JANE BERGEROL

LISBON, August 6.

PORTUGAL'S Copcon security command 10-day despatched a gale's new Government was about to be announced multiplied during the late afternoon, as a number of former military Ministers from the Fourth Coalition and some new civilians gathered at the Sao Bento Palace for talks with Prime Minister Vasco Gonçalves.

A spokesman in the Prime Minister's office said the Government could be "unimpaired," and that it would be along the lines leaked in the Press a fortnight ago—military in harness with Communist and MDP-CDE members, with a smattering of unknown independents nonetheless close to both Parties.

President Costa Gomes and Copcon security chief General Otelo Saraiva de Carvalho, the two other members of Portugal's ruling troika, are trying to come up with political and military solutions to the current wave of anti-Communist violence.

In Lisbon, a number of urgent economic measures are expected to be announced in an attempt to cool the bitterness of the north, where anti-Communist fever owes much to the severe economic crisis.

Some attempt is to be made to deal with stocks of 1974 vintage wine, still unsold, while the new vintage is not far off. Other measures for the crisis-hit textile industry, which employs over 300,000 people in northern Portugal, are also expected together with more attempts to deal with unemployment, now running at about 12 per cent.

The Bank of Portugal has announced a restricted convertibility of the escudo to-day, designed at limiting illegal transfers of funds from the country.

Substantial sums have been taken out by escaping bankers. Popular Democratic Movement and industrialists since the April elections were similarly assaulted. 25 revolution.

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For latest Share Index: phone 01-246 3025

Workers who can take home more money when jobless

BY SAMUEL BRITAN

WORKERS EARNING up to £55 per week can in certain circumstances have a larger take-home pay packet when they are unemployed than when they are working.

Calculations based on information given by the Department of Health and Social Security to Parliament show that the head of a family earning up to just over this figure can be in this position if he is entitled to earnings-related unemployment benefit and draws a normal tax rebate together with the standard rate and rent rebates.

The data on which these findings are based were given by Mr. O'Malley, a Minister at the Department, in a written answer to Mr. Ralph Howell (C. Norfolk) on July 16, Mr. Howell's assumptions were criticised because he assumed no change in the weekly earnings for nearly three years.

Subsequent calculations have, however, shown that even if this assumption is changed and the earnings-related supplement is related to wages in 1973-74, on which it would in fact be based, a man with two children, earning £55 per week, will have a disposable income of £34.26 after tax and National Insurance contributions.

Should he become unemployed his net pay will rise to £34.93 on the basis of the new levels of benefit to be payable from next November. When the tax rebate runs out his pay will be running at £28.61.

Many unemployed people will not of course draw benefits of this size. Earnings-related benefits are available for six months only, and depend on the applicant's previous work record.

Moreover, the rent and tax rebates, which are higher for the unemployed person, may not be "typical." Thus, the new statistics are quite consistent with the existence of a large number of badly off unemployed people.

But they do suggest that the more generous treatment of people with a good earnings record in transition between jobs is one of the reasons why unemployment now fluctuates around a higher level than in the early 1960s.

Economic Viewpoint "Collapse of Full Employment Policies," Page 15

world the essentials they need, the less they have available for accumulating the capital required for development—the key to their economic development problem. And it is now becoming apparent that they have what will almost certainly prove to be an even bigger cross to bear in the form of the escalation in the cost of servicing overseas capital.

It has been estimated that the cost to them of their technological dependence—payments for foreign exchange for machinery and so forth—will be approaching \$9bn. by the close of the 1970s, a sixfold jump when compared with the late 1960s. Asia is only one part of the picture.

It is absurd in these circumstances to talk of the affluent world providing aid to the developing countries. It is, no doubt, necessary to extend the advanced countries that are being supported by the poor. And if the new economic order we hear so much about is going to be anything more than a slogan to do something drastic about this in double quick time.

By H. A. N. BROCKMAN, Architecture Correspondent

So, with all these varying views of the woman's place in architecture perhaps the most acceptable conclusion is that an architect is an architect, whether man or woman, but the inherent difference between one sex and another in the architectural profession is only resolved by simply arithmetical proportion, as applied to both: for the woman 25 per cent. male attributes with 75 per cent female intuition, and exactly the reverse proportions for the man. The profession can progressively do with both as architecture becomes ever more bound up with the practical solution of social problems and the continual movement away, with few and eternal exceptions, from the monumental.

[illegible]

WORLD COAL

10 & 11 SEPTEMBER 1975

A conference organised by the Financial Times and the Oil Daily

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Mr Alexander Eadie, MP
Parliamentary Under Secretary of State
for Energy

COAL IN EUROPEAN ENERGY POLICY
Sir Derek Ezra, MBE
Chairman, National Coal Board
West European Coal Producers
Association (CEPCO)

**COAL IN EUROPEAN ENERGY POLICY—
THE COMMUNITY VIEW**
M Henri Simonet
Vice-President, Commission of the
European Communities

**NEW IMPORTANCE OF COAL AS A
PRIMARY ENERGY SOURCE**
Mr Ian MacGregor
AMAX Inc

**COAL RESEARCH—NEW THEMES
AND OBJECTIVES**
Mr I. Grainger
National Coal Board

**LABOUR INTENSITY OF COAL
PRODUCTION**
Mr J Gormley, OBE
National Union of Mineworkers

AUTOMATION IN MINING
Mr P G Tregollie
Mining Research and Development
National Coal Board

**FUTURE OF COAL TRANSPORTATION
BY RAIL**
Mr David Bowick
British Railways Board

**THE WEST GERMAN RE-APPRAISAL
OF THE VALUE OF COAL**
Herr Manfred Lahnstein
Bundesministerium der Finanzen, Bonn

**THE FUTURE OF COAL—POLISH
POINT OF VIEW**
Dr Wojciech Swider
Zakłady Konstrukcyjno-Mechanizacyjne,
Poland

**COAL AS A FUEL OR AS A CHEMICAL
FEEDSTOCK—THE NEW
TECHNOLOGIES**
Dr P V Youtle
Imperial Chemicals Industries Limited

**ECONOMIC VIABILITY OF SYNTHETIC
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Munich Festival-3

Die Walküre

by ANDREW PORTER

As 1976, the centenary year, approaches, Ring is in preparation all over the world. Under the aegis of the Munich Festival (due for completion in October) and Götter Friedhof for Covent Garden are probably the most celebrated. Casel has a "fun Ring" designed in comic-strip style. In Munich, William Weaver described to these pages the Siegfried installment of the Scala production, a Victorian political melodrama, staged by Luca Ronconi, in which drop-curtains painted with the old romantic scenes rise to reveal industrial reality behind. Marcellus has also embarked on a cycle in Victorian dress, devised by Jean Pierre Fouché. It is a sign of the times that these Rings are identified by their producers, the "Boulez Ring" due at Bayreuth next year and the "Goodall Ring" at the Coliseum are exceptional and so, of course, is Karajan's Salzburg Ring, staged and conducted by the same man.

All the Ring productions mentioned above are based on the assumption that while Wagner's music and his musical symbolism make sense to a modern audience and do not need rehashing or reorchestrating, his stagecraft, his visual symbolism, needs overhaul. And, moreover, that music that was conceived to be gathered with at one with, quite specific scenes, actions, and lighting effects can equally well serve as "accompaniment" to quite different actions, scenes, and lighting. I do not believe this is so. From a musical point of view, audiences are treated as educated adults; theatrically, they are treated as children or babies who can not perceive anything unless it is all spelt out for them. What is spelt out is usually a gloss on just one particular aspect of a tremendous work that is impoverished if the multifarious meanings are narrowed to one.

It usually becomes, at the same time, less enjoyable, less communicative, less dramatic when Wagner's directions are ignored. On any reading of the Ring, Act I of Die Walküre is meant to play in an enclosed, oppressive room—until the great door flies open to reveal a moonlit world of freedom. Both words and music are specific, and so is the symbolism. But not since Covent Garden's post-war cycles, played in the pre-war scenery by Gabriel Volkmann, have I seen a set for Act I of Die Walküre that showed any understanding of this. In Munich's new Ring, produced by Günther Rennert, Act I plays in a sort of open picnic site beneath a tree in a forest glade. There is no sense of Siegmund's being pent, or of Siegmund's finding refuge—and falling into a trap; no sense, for that matter, of Hunding's pride in his substantial possessions. (The contrast between Hunding, who has a house and a wife and as he proudly says a good standing among his neighbours, and the impoverished Siegmund—rather



The Valkyries, Wotan and Brünnhilde in Act 3

eyes and glances, no eyes were visible, only black pools of shadow.

Rennert's latest idea is that Wotan and Siegmund are the villains of the piece. "In their egocentric careers, there is no treachery and no violence they will not commit." Oh, really? Wotan is unfaithful to Fricka, and Siegmund is unfaithful to Brünnhilde, "and in this personalised basic tension between man and woman we find the source of all the numerous conflicts in the Ring drama." So says the programme. Die Walküre can hardly show it. What we saw was some rather hideous scenery, somewhat in the manner of Leslie Hurry's Ring for Covent Garden but much uglier. To avoid realism, the rocks of Acts II and III were pushed sideways into parallelograms, and at the end of Act II one of them moved back like a sliding panel to reveal Wotan (dimly lit, not at all in a glowing fiery radiance) standing behind it. The Valkyries were jolly girls with huge balloon-like breasts who tossed their shields and helmets all over the stage with gay abandon (where they fell with a cardboard patter) and romped or lolled about on the rock. Wotan, it seemed, wore grey flannel bags over which he had hung a long coat and a fur boa; his head was prolonged backwards in that unhappy Bayreuth-type chin.

The hero of the evening was Hunding, nobly and grandly sung by Kurt Moll. He seemed to have been in love with Siegmund, his bewilderment at the supernatural interference during his fight with Siegmund held the attention; his look of indignation when the wife whom he had

Record Review

Forward with the folk

by ANTONY THORNCROFT

Unité Bridge Fair—Leader. 4060 Mono

South Explorers—H7-11

Duty Dressed—The Wallers. ILPS 9281

Waitress in a Donut Shop—Maria Muldaur. Reprise K 54025

Over the Rainbow—Chrysalis.

1078

Captain Fantastic—Elton John. DUXP 1

Greatest Hits—Cat Stevens. ILPS 9310

At first glance the contribution of Percy Grainger, of "English Country Garden" notoriety, to contemporary music could be written on the proverbial postage stamp. But thanks to Leader Records he must now be given

at least a chapter. For in 1906 Grainger took his Edison Phonograph into the Lincolnshire countryside and collected traditional English folk songs from the authentic voices of what was to prove the last genuine generation of peasants.

Other collectors, like Cecil Sharp and Lucy Broadwood, were active at this time, but with pencil and paper. Grainger's recordings perpetuate the actual sound of such songs as "The Sorrel o' Thyme," "Lord Bate-man," and "Geordie," showing how the singers varied their delivery with each performance, showing in fact that the songs were still very much alive.

It was these songs that formed

Bankside Globe

The Marowitz Hamlet

by B. A. YOUNG

Hamlet, the first of Charles Marowitz's Shakespearean caprices, is the least exegetical and the most entertaining of them. Mr. Marowitz's formula for those who do not know it is to redistribute the play's lines and so clearly points that he believes lurk below the surface in Shakespeare. In Hamlet his main end seems to be that Fortinbras represents the stronger half of Hamlet. Tony Haygarth's Dane is splendidly done, in fat and slack and dilatory, but David Schofield's steely Norwegian, in black mask and black leather, stands ever behind him urging him on to duty.

Hamlet is too well known a play, both in outline and in detail, to bear this treatment very far. On the other hand with so much familiar dialogue, Mr. Marowitz can achieve some happy moments. "William, smiling, damned villain!" Hamlet snarls. "Why, 'tis a loving and a fair reply," comes the answer from a parent determined on domestic peace. "I think it is like a weasel," Hamlet argues when he has just got Rosenkrantz to agree that a cloud is like a camel. "I was the more deceived," Ophelia pipes up.

No need to go through all Mr. Marowitz's happy (travelling) anyone who knows Hamlet tolerably well will have fun tripping over them in the Bankside Globe's new tent auditorium. The production, directed by the author, is excellently done, the acting pitched in exactly the right mood, the action marvellously and at a pace that seldom slackens and offers us



Tony Haygarth

the backbone of the folk song revival of the late '60s, and from the folk clubs came the singers who remorselessly developed their own material, and progressed into folk rock and as Grainger to Dylan the path may be tortuous but it is distinct.

Leader has now re-released 21 of the original recordings. Despite the inevitably poor quality of the sound they are much more than just historical curiosities.

One of the singers, Joseph Taylor, has a peculiarly fine voice for the songs, despite his 75 years at the time of the recordings, and he injects a great deal of his personality into the stories. This is why Grainger's recordings seem more valuable than the bulkier written records of Cecil Sharp, which particularised the frozen folk songs, the scourgings of drawing rooms and school choirs until the liberation of the revival regenerated English traditional music.

Folk Song is the basis for most contemporary music—even the insistent beat of rock is developed from folk origins. African folk origins. The international dependence of music shines through a most intriguing double-album from Nonesuch which dips into four continents, switching from the Monkey chant of Bali, to 17th century Japanese dance music, to Swedish folk songs, to the Shona of Rhodesia, to some distinctive melodies from the Bahamas, which retain the African folk memories of the slaves. It is this tradition which has added the rhythmic drive to the pure melodies of English folk to create the current flowering of music.

Just how susceptible we are to black music (with a slight Latin gloss) is obvious on hearing the Washers, a band which came out of the Kingston, Jamaica, studios about a decade ago, and is now gaining international acclaim. The Washers play real ghetto music, bitter slang-ridden lyrics and remorseless reggae rhythms, songs which are both alien and approachable. Their latest album, Natty Dread (singer Bob Marley wears the Dreadlocks of a member of the Rastafarian sect) is perhaps the most political record of the year, with songs like "Revolution" — "It takes a revolution to make a solution" and "Them Belly Full" (But we Hungry), but for most people it will be just a grand sound for dancing, such is the enigma of progressive music.

The Washers are a tighter, more exciting band on record than on stage; Maria Muldaur, another recent visitor to the U.K., is just the reverse. To see her is to love her, but her latest album Waitress in a Donut Shop is not the best preparation. She is rather outnumbered with musi-

cians, and the intimacy to her performance is lost. Still the breadth of her musical influences are well represented here, with spirituals, blues, rock songs and country music all jostling to gether. This is the kind of album that will appeal, in parts, to everyone, with one song making it worthwhile. For me "Brickyard Blues" alone is a good enough recommendation.

"Brickyard Blues" is also included on Over the Rainbow, the recording of the last concert at the Rainbow Theatre in London. The Rainbow quickly established itself as the holy of holies for progressive music, and its closure becomes more of a disaster each month. Most of the rock millionaires played the Rainbow but all were conspicuously absent from the final performance.

In the event it was a nice idea, signing off with some of the most promising and genuine of British acts, and the album is as good a sample as any of the kind of music you can hear in the club up and down the country.

Ironically John Martyn, who was bad on the night, comes over best with a fine song "Discover the Lover," but Hatfield and the North and Kevin Coyne will gain converts through this rather precious album. And Frankie Miller, who actually performs "Brickyard Blues" along with Procol Harum, must soon have worked his passage to the very top.

Talking about the very top there is yet another new Elton John album on release, which sounds like so much of his previous work, as if the songs were left over from one of his more creative patches. Captain Fantastic and the Brown Dirt Cowboy (what a typically perverse John title) established a record by immediately becoming No. 1 in the U.S. charts, but apart from "Someone Saved My Life Tonight," an Elton John standard in its steadfast soulfulness, this is not his best work.

Finally, and coming back full circle, there is the newly issued Cat Stevens Greatest Hits. Cat Stevens, the young Londoner who took on the world with his guitar and his contemporary songs, got into music through the folk clubs, probably appearing between the fundamentalists singing "Spring o' Thyme" exactly as Joseph Taylor presented it on record. Since then Stevens has swung in and out of favour, producing many bad records and even worse live performances. His best songs, gathered together on this record, are slight but very fine, the kind to love her, but her latest album Waitress in a Donut Shop is not the best preparation. She is rather outnumbered with musi-

taken such trouble to regain was then led off by a strange woman was moving. Wotan was Lelf Roar. He has a strong voice, cleaner in focus than Donald McIntyre's, fuller than Norman Bailey's. But he lacks majesty, authority, command. (Whatever Rennert's ideas may be, a blunt, shabby Wotan makes neither musical nor dramatic sense). Bert Lindholm, bright and energetic as usual, was the Brünnhilde. And, as usual, one noted that the voice is not really ample enough for the role, that she squirms to get out the high notes—and that, on the whole, she is still probably the best successor to Birgit Nilsson that we have. (Will 1976 produce the Brünnhilde, the Siegfried, the Wotan we have been waiting for?) Sir Wenberg was a clear, decent Siegmund, though taxed to the limits by the towering passages. James King's Siegmund is always reliable, not more—because, whether he sings Cavendish, the Emperor in Die Frau ohne Schatten, or Siegmund, his tone, given the note and its dynamic, is always predictable, while being of good quality.

Sawallisch (who also conducts the Scala Ring) favoured clear textures and, on the whole, rapid tempi. Wotan made short work of his farewell to Brünnhilde; there was no quest of lingering emotion. Brünnhilde's "Den hehrsten Heiden der Welt" was almost gabbed. But then there were sudden, sentimental ruminations, such as an immense broadening of Siegmund's "O hehrster Wubder." The general effect was of stop and start; it was an episodic reading that lacked breadth, continuity and grandeur.

Polly Adams, Peter Egan and Pauline Collins in the National Theatre's revival of W. S. Gilbert's comedy 'Engaged,' which opened last night at the Old Vic

Albert Hall/Radio 3

BBC Northern

by RONALD CRICHTON

The regions are well represented at this year's Proms by the BBC's own Northern, Scottish and Welsh Symphony Orchestras, by Bournemouth, Birmingham, the Halle from Manchester, by Kent Opera Orchestra and, doubtless embracing many regions, the National Youth Orchestra of Great Britain. On Tuesday it was the turn of the BBC Northern. Their conductor, Raymond Leppard, has now been with them for two seasons. Evidently they have established close rapport. The playing had the unanimity of style that marks out a real orchestra from an assembly of more or less brilliant individuals who may or may not achieve exact ensemble. There was a large audience.

On the whole, the programme of Britten, Beethoven and Schubert turned out well for a hot evening. The reservation concerns Britten's *Sinfonia da requiem*, a show-piece whose appeal to conductors presumably has something to do with the fact that the composer has so far neglected to write enough music for full orchestra that does not call for voices or solo instruments as well. And so this ambitious, selective exploration of sorrow comes round again and again, each time making the wish either that Britten had composed a more intimate, personal communication or that he had added the voices and produced an unnamed virtuoso special bouquet.

Mr. Seow admirably judged both the embellishments of the slow movement and the assertive rain theme of the rondo—a tune that can, if over-emphasised, become maddening, and is doubly likely to do so in such a temperature. Sure and cool judgment was also a feature of the Schubert symphony, where Mr. Leppard's touch on the music's pulse was light and firm, his speeds fast but not rushed. The only thing lacking was the full rustic glow of the trio in the scherzo. For their clarity and agility in the finale in spite of the heat, the players deserve a special bouquet.

Soho Poly

The Late Wife

by MICHAEL COVENEY

The Soho Poly's successful lunchtime season continues with a disappointingly slack piece by Christopher Wilkins about an alcoholic widower and his private angst. The scene shifts from graveyard to nightclub with an unnecessary rapidity that is faithfully reflected in Frederick Proud's fussy production. Lampard is first discovered sipping champagne on Sylvia's tomb. The caretaker scolds him for laying knickers instead of flowers on the stone. The joke, unfunny in the first place, is fogged.

Sylvia was a successful and highly-regarded author of children's stories. Now Lampard, spurred on by a muck-raking journalist, denounces his wife as a child-molester he picked up in a home for old socks. He makes a fool of himself at a party given

Book Reviews appear on Page 19

by Sylvia's publisher (Michael Logan has an immediate impact as a parasitic mandarin bearing physical resemblance to Somerset Maugham) before heading with the journalist to Sylvia's grave. The journalist removes her knickers and opens her legs, but Lampard is suddenly invaded by his own guilt. Sylvia was wonderful, after all; this leads to a ponderous trade of self-denunciation and a vividly articulated attack on the notion of Death.

Sternheim's 'Schippe'

for the Prince of Wales

Harry Secombe returns to the West End stage this autumn in the title role of "Schippe," a comedy by Carl Sternheim. Following a preliminary season at the Opera House, Manchester, from September 23, the play—a satirical comedy with music, freely adapted by Cecil Taylor—will open at the Prince of Wales Theatre on October 8 after a week of previews.

The play, set in Germany in 1913, concerns the predicament facing an elite male-voice quartet when the only eligible replacement tenor is the local plumber. It will be presented by Bernard Delfont and Richard M. Mills with Jimmy Grafton and it will be staged by Mike Ockrent, resident director of the Traverse Theatre Company, who directed the original production there last year. The designer is Poppy Mitchell.



Polly Adams, Peter Egan and Pauline Collins in the National Theatre's revival of W. S. Gilbert's comedy 'Engaged,' which opened last night at the Old Vic

Elizabeth Hall

Summer Music

by MAX LOPPERT

The third in the present South Bank series of summer concerts on Tuesday was the compilation formed by the King's Singers' for the simple, strongly felt sense of the music shown elsewhere.

What a difference between the Quartet's painful, unfussy manner of presentation, and that of the King's Singers: glossy, debonair, dazzling and utterly self-absorbed. To the sweetly chivalrous or pastoral sentiments of a group of English madrigals (this year's resident South Bank quartet) in its central offering.

The once-fashionable prejudice that Brahms' chamber music is all sweet and stodge has been in all eyes since the King's Singers' vocal metaphor and onomatopoeia of Jannequin and Passerella were faultlessly groomed. The *House of Sleepers*, a long, accomplished and rather obvious horror tale written by Richard Rodney Bennett to an Ovid text in a 16th century English translation, had a notably confident performance. Some sacred and then some secular Poulenc was very knowingly given. Indeed, the invincible polish of the group is as remarkable as it is soon wearisome.

Sir Peter Daubeny

Sir Peter Daubeny died yesterday from a recurrence of the brain tumour from which he has suffered for some years. He was 54.

Peter Daubeny intended to be an actor, and studied under Michel Saint-Denis and George Devine; but his acting career, in the Liverpool Rep, began in the unpropitious year of 1939 and he soon found himself in the Coldstream instead. At Salerno a mortar-bomb blew off his left arm. Very well, if he could not act, he would produce.

He began without delay. In April 1945, with a production of William Lipscombe's *The Gay Pavillon*. Since then he has produced more than 200 shows in London, of which almost half have been visits from foreign companies.

When in 1964 the Royal Shakespeare Company decided to honour Shakespeare's 400th anniversary with a season of foreign productions, Peter Daubeny was the obvious man to organise it. The first season was so successful that the fixture became an annual, the World Theatre Season. It continued with undiminished vigour with a year's lapse in 1974, until this year.

Sir Peter suffered badly from the brain tumour and he hated flying. In spite of this he spent half his life in aeroplanes, seeking out new talent for his season. He was knighted in the birthday honours two years ago. He leaves a widow, a son and a daughter.

R.A.Y.

Round off your meal with a monosyllable.



HINE. The connoisseurs' cognac.

OVERSEAS NEWS

Muzorewa seeks to quell ANC discord

BY TONY HAWKINS

RENEWED evidence of the split within the African National Congress (ANC) is apparent from a statement by Bishop Muzorewa, president of the ANC, issued in Salisbury today. He "summoned" all the people of "Zimbabwe" to dissolve all political groups other than the ANC. The Bishop's remarks come at a time when once again calling for a Congress at which to discuss policy and to elect a new leadership.

At the same time, the Bishop said that the presence of the original signatories to the unity agreement last December. They would be ousted from positions of power and that the Bishop would be a major part in the council as a result.

The Bishop's visit to London and the announcement by Mr. Ian Smith to South Africa on Friday for talks with Mr. Vorster suggest that new efforts are being made to surmount the conference venue problems. The obvious solution is for the ANC to go to some preliminary talks with Rhodesia and a full conference, perhaps in Pretoria.

The key problem at present is the definition of "preliminary" with the Rhodesian Government. It is argued that virtually the whole conference would be preliminary, subject to a final external session for ratification, while the

SALISBURY, August 6.

ANC argues that only non-contentious matters could be debated internally with the crucial issues such as the franchise being debated externally.

Mr. Smith is likely to discuss this problem and the deterring security situation with Mr. Vorster. He may well be seeking an assurance from the South African Prime Minister that military equipment, especially helicopters, will continue to be available to Rhodesia despite the withdrawal of the South African police.

Meanwhile, the Rhodesian authorities have extended the dust-to-dust curfew to cover the country's western border with Botswana, a distance of some 400 km, as well as the 500 km eastern border with Mozambique. The move follows continued disappearances by black school children, apparently leaving the country to join the guerrillas. Our Foreign Staff adds: Bishop Muzorewa, accompanied by Dr. Elliott Gabbellah, had talks with Mr. David Smith, Minister of State at the Foreign Office yesterday morning and again in the evening. The Foreign Office is saying nothing on the discussions until the ANC pair have seen the Secretary of State, Mr. Callaghan this morning.

Portuguese reinforce Luanda

LUANDA, August 6.

THE PORTUGUESE army today evacuated its troops from the northern Angola base at Camuena, near the border with Zaïre, and transferred them to Luanda to reinforce the garrison, military sources said.

The sources said that about 600 Portuguese soldiers had been isolated at Camuena for nearly two weeks but took no part in fighting between Angola's two warring independent movements. A military communiqué said that columns of refugees had followed the Portuguese out of the Camuena area.

The sources said that the air force base at Negage, near Camuena, had also been cleared of troops, and that the army column was expected in Luanda today. They said that G-91 fighters would provide air cover if the column was attacked.

Health officials at Malange, 220 miles east of Luanda where heavy fighting took place last week, have asked for an urgent supply of quicklime. Luanda officials said they had uncollected bodies were decomposed in the streets and had to be buried quickly.

An army spokesman said the situation in Angola was "stationary, but tense". He said that fighting had broken out between the two movements at Silva Porto, 480 miles south-west of the capital.

SOUTH AFRICAN OIL

BY JOHN STEWART, CAPE TOWN CORRESPONDENT

A feeling of mild betrayal

A MEETING will take place here tomorrow between major conservation measures imposed by the South African Government which have cut increments in consumption from a previous rate of over 10 per cent, a year to about 6 per cent.

From the point of view of conservation, the Shell-AP move is warmly welcomed by the South African government. The "re-plumbing" of the refinery will result in increased production

of motor gas and gas oil from to a one-fifth market share in the area.

The misgivings of the oil majors have increased by the discovery that Sasol's planners

designed the new plant to a scale based on the expectation that demand for automotive fuels would grow at the rate of 11 per cent a year, whereas the oil majors, which are essentially marketing companies and therefore probably better equipped to make more accurate assessments, do not expect demand to increase over 7 per cent.

What the oil majors fear is a heavy over-

production of motor gas and gas oil.

The agreement also applies in respect of motor gas and gas oil produced at Sasol's conventional crude oil refinery at Sasolburg (known as Nattref), which has a capacity of about 74,000 barrels a day. Most of Nattref's production is drawn on by the international majors for marketing through their own network, but surpluses are forced on to the open market to their share of the market.

As a result, the majors are experiencing a feeling of mild betrayal, not only because of the discovery that Sasol's expansion plans, which will come to

the Durban refinery's adjustments become operational, but also because of the "forced marketing" agreement which exists between Sasol and all the oil marketing companies operating in South Africa. In terms of this agreement, petrol stations throughout the Transvaal and the northern Free State are compelled, where desired, to install at least one Sasol pump, thereby helping the government utility

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Egypt 'still wants control of passes'

TEL AVIV, August 6.

GOVERNMENT SOURCES said today the Egyptian reply to the latest Israeli proposals for an interim peace agreement in the Sinai Desert include some changes for the continuation of negotiations. The sources declined to say what the changes are, but added: "There is still work to be done."

Egypt's response was received in Jerusalem in the early hours of the day following a Washington meeting between Israeli ambassador to the U.S., Mr. Simcha Dinitz and U.S. Secretary of State Dr. Henry Kissinger. Government sources said the three-man negotiating team would probably convene tomorrow and make its report to the full Cabinet in its regular weekly session on Sunday.

Meanwhile the national radio said the differences in Egypt's latest position are not radical ones and gaps still remain on territorial issues, the width of a buffer zone between Egypt and Israel and technical arrangements on the ground.

Mr. Rabin rejected the previous Egyptian proposals on July 29 and said Israel was not simply rejecting the offer, but also stating her own position.

In Cairo, Egyptian officials reaffirmed that Egypt is seeking full control of the Giddi and Mitla passes as part of any new troop disengagement agreement with Israel. The officials said that agreement would be reached in the current negotiations with Israel, conducted through the United States.

Border remains tense

BY HSN HIAZI

BEIRUT, August 6.

TENSION remained high today for a stronger defence policy against Israel. Editorials in a number of newspapers urged closer military co-ordination with Syria and one paper, Al Anwar, called for a common Arab front against Israel stretching all the way from Gaza in Jordan to Tyre in Lebanon.

The death toll in yesterday's attacks was given as 25 killed and more than 50 wounded. Of these five were guerrillas, and the rest civilians. The air strike on the camp in the Tyre district which followed the land and sea attack earlier in the day exacted most of the casualties. More than 50 houses were destroyed in the air raid, Lebanese and Palestinian sources have reported.

The four Lebanese officers killed in yesterday's attack have been given a hero's funeral amid demands in the Press to-day

Japanese 'still cautious'

TOKYO, August 6.

WITH THE OUTLOOK for an upturn in the Japanese economy uncertain, and stocks of finished products still high, Japanese firms remain cautious about undertaking new investment projects, according to Government survey released here.

The survey, conducted in May by the Economic Planning Agency (EPA) on a total of 2,614 companies, showed their planned investments in plant and equipment in the second half of this year totalled ¥5bn, a modest rise of 3.2 per cent from the estimated first half total of ¥4.8bn. The first half total itself represented a drop of 3.4 per cent from the second half of last year, the survey showed.

The companies surveyed, capitalised at ¥100m or more, account for around 50 per cent of total Japanese private capital investment. On a quarterly basis, the survey showed that plant and equipment investment would rise 4.7 per cent in the third quarter from the second, but then drop 1.4 per cent in the last quarter from the third.

Planned second half investment in the manufacturing sector was up 1.1 per cent from the first half, while that in the non-manufacturing sector was up 6.2 per cent, the survey showed.

These rates of increase compared with an estimated first half decline of 6.7 per cent in the manufacturing sector, and a 0.3 per cent increase in the non-manufacturing sector.

The survey also showed that 46 per cent of the manufacturing firms considered their output capacity too large for their needs in the second quarter of this year. The percentage, the same as for the first quarter, was the highest since such a survey was first taken in 1967.

A separate survey by the EPA of stocks held by manufacturing firms showed that a majority still had excess stocks at the end of June.

However, the percentage dropped to 54 per cent of firms concerned from 63 per cent at the end of March, reflecting a gradual run-down of surplus stocks accumulated during the prolonged Japanese recession.

Nchanga Consolidated Copper Mines Limited

INCORPORATED IN THE REPUBLIC OF ZAMBIA

STATEMENT BY THE CHAIRMAN THE HON. A. J. SOKO, M.P.

My predecessor reported at this time last year on the measures already implemented following His Excellency the President's announcement on 31st August, 1973. On 18th October, 1974, agreement was reached between the Government of the Republic of Zambia (GRZ) and the Anglo American Corporation Group (Anglo Group) on all outstanding issues.

All procedures for the implementation of the self-management principle by this Company were finally completed on 15th November, 1974 with the adoption of new Articles of Association for our Company. Consequently, Mr. W. M. Chakulya, an "A" director, became the first Zambian to be appointed managing director of our Company.

The Anglo Group will be paid compensation amounting to K33 million in quarterly instalments over a three-year period with retrospective effect from 1st January, 1974, the operative date for the new self-management arrangements. The compensation is payable for the early termination of the managerial, technical, consultancy and metal marketing arrangements which in terms of the agreements entered into between GRZ and the Anglo Group in 1970, had been scheduled to run until 31st December 1979.

The Metal Marketing Corporation of Zambia Limited, has been appointed exclusive sales agent to Nchanga Consolidated Mines Limited, and the Company whilst the Anglo Group has undertaken, on a best endeavours basis, to provide, at the request of the company, certain services which we, for the time being at least, will not be able to provide.

The negotiations which I have referred to were conducted in an atmosphere of candour and mutual trust and it is pleasing to note that since November, 1974 the partnership between the Anglo Group and the Company has continued to flourish which augurs well for the future.

The price increased slightly to £555 (K360) in March but has again declined since the end of the financial year to £523 (K285) for the month of June, 1975.

Costs were commented upon also. These have increased sharply during the last year largely due to the high inflation rate currently plaguing the world economies, the steep rise in oil prices, congestion at ports resulting in surcharges and considerable demurrage charges, and longer than normal lead times which necessitated the holding of increased stocks. All these factors have affected the cost of mining supplies.

The copper price is determined by the inter-play of supply and demand and, at present, there is an over supply of copper. The resulting low copper prices, coupled with the upward trend in operating costs, leaves the company with no alternative but to initiate an urgent reappraisal of its operations with a view to reducing the repercussions in terms of redundancies, of the implementation of the cost saving measures are well recognised, but the seriousness of the situation dictates that these measures be undertaken. It must be added, however, that it is the intention of the management of your company to avoid as far as possible any redundancies, but the extent to which these will be minimised is dependent upon the wholehearted support of the entire labour force.

At this time last year, copper market forecasts were pointing to production exceeding consumption for the next few years. The copper stocks in the LME warehouses have risen appreciably from a figure of 26 025 tonnes on 5th July, 1974 to 308 000 tonnes on 4th July this year. The LME stock build-up demonstrates the extent to which the supply/demand imbalance has in fact developed. One can only express the hope that the factors which have contributed to the imbalance will fall away with the advent of the recovery in world economies.

Underground mining operations continued normally. In the oxide concentrator, modifications to the plant improved the ore handling arrangements. However, the ore received from the Rokana open-pits, besides being below the anticipated grade, contained a high proportion of very fine material and flotation recoveries were consequently well below expectations.

In the smelter, work on the installation of the new gas collection system reduced the availability of converters but, apart from this and the occasional shortage of concentrates, operations proceeded normally.

In the refinery, current efficiencies in the periodic current reversal section improved during the year as experience in the operation was gained. In the furnace section, heavy fuel oil firing was commissioned.

Production from the underground mine and from open pits continued normally, although overburden removal was below target as a result of shortages of spares for earthmoving vehicles and the continued loss of skilled maintenance personnel.

In the concentrator flotation recoveries were below those of previous years because the commissioning of the tailings leach plant, which recovers oxide copper from flotation tailings, has reduced the significance of concentrator recovery of oxide copper. Recovery of oxide minerals into low grade concentrates which

were previously stockpiled is no longer attempted. Shortages of spares also hampered operations.

Similar considerations apply on the high grade leach plant where operations were hampered by ground subsidence in the leach solution building.

In the low grade leach plant, commissioning in stages continued throughout the year but there were many interruptions caused by equipment breakdowns, particularly rubber-lined pipe failures. However, during the year operations at the plant, which is the largest of its type in the world, improved steadily and 48 828 tonnes of cathodes were produced.

The despatch and equipping of No. 1 shaft to the 3520 level was completed. Mining operations continued normally and satisfactory progress was made with dewatering, development and drilling. The daily average quantity of water pumped was 345 110 cubic metres (7.6 million gallons).

Planning and design work on the Kansanshi project continued and site clearing and construction of the township have made satisfactory progress. However, shortage of funds resulted from the low copper prices together with continued escalation of costs necessitated the deferment of further construction work on the project.

Production of lead and zinc was slightly lower than in the previous year as a result of lower ore grades.

The 1885 level pumpstation in the Davis shaft, which was flooded at the end of April, 1974, was dewatered at the end of June and recommissioned in September of the same year.

In spite of delays in the delivery of equipment good progress was made with the installation of the Wash kiln which plant will augment mine production by treating the very considerable tonnage of refractory material stockpiled at the mine over many years. Commissioning of the new plant is anticipated to commence in August, 1975.

This department has been amalgamated with the Research and Development Department at Roan Consolidated Mines Limited to serve both companies.

The main investigations carried out during the year under review were concerned with the Chingola refractory ores, the new cobalt process and the improvement of recoveries in the Chingola concentrator.

Laboratory and pilot plant investigations were carried out on Kansanshi ores to assist with detailed plant design.

Zambianisation, Training, Manpower Planning and Industrial Relations

Even though the rate of expatriate turnover has decreased from the last year's figure of 27.1 per cent to a current figure of 24 per cent, a new and disconcerting trend developed, namely the substantial number of resignations of highly skilled and experienced expatriate personnel. The loss of this class of personnel has not only had an unfavourable impact on the company's operations over the past year but it is also making it difficult for us to speed up the training of Zambians in order to give effect to a new and exciting policy of Zambianisation.

Another notable development over the period under review was the coming into effect of the Industrial Relations Act on 1st April, 1974. In terms of the Act, a new association of copper mining employers (ACME), representing four companies including NCMC, was registered and the Mining Joint Industrial Council (MJIC) was dissolved on 31st December, 1974. A new recognition agreement was signed between the Mineworkers' Union of Zambia (MUZ) and the ACME.

Since the year-end, the Industrial Relations Court has approved the agreement entered into on 30th January, 1975 by MUZ and the company in terms of which the copperbelt conditions of service, including rates of pay, will apply to the employees at Broken Hill and Namputwe mine. Unfortunately, a dispute arose due to differences in the interpretation of certain clauses of the agreement, but these have now been resolved.

The completion last year of the Cobalt Variant on Benguela Railway and the acquisition of new rolling stock by Zambia Railways have led to an improvement in railway performance, both internally and on the Lobito route. The construction of the Tanzanian-Zambia railway is ahead of target: the line has been connected to the Zambia Railways system at Kapiri Mposhi and a limited service to Dar es Salaam is scheduled to commence soon.

The improvement in the railway's performance will not, however, have its full effect until congestion at all the ports has been below expectations. Similarly rail-road transportation from Beira and Nacala has been unsatisfactory. Over the last three

weeks an emergency route through Katete and Moatse in Mozambique has been established to bring Zambian cargo from Beira and Can Phumo (Lourenço Marques).

Operating Results

We set our target for finished copper production at 469 000 tonnes for the financial year ended 31st March, 1975. Actual finished copper produced amounted to 408 666 tonnes. I have already enumerated the various factors which affected our performance during the past year. To these must be added another, namely the CIFEC 10 per cent cut-back decision on November, 1974. Assuming that the cut-back, which was recently increased to 15 per cent, remains in force for the remainder of the current year, our target of finished copper production will be 385 000 tonnes.

Cobalt production was 2 018 tonnes compared with 1 870 tonnes for the preceding financial year.

Lead and zinc production decreased from 81 342 tonnes during 1973/74 to 79 506 tonnes. Broken Hill Division production was also adversely affected by the factors which I have mentioned in connection with the decline in copper production.

Copper sales during the year ended 31st March, 1975 amounted to 386 160 tonnes, nearly the same as the previous financial year's sales of 387 385 tonnes. As stated earlier the mining industry in Zambia once again suffered from shipping difficulties which resulted in the stocks of finished copper at the year-end being 88 340 tonnes compared with the normal pipeline stock of between 30 000 and 35 000 tonnes and with 43 924 tonnes at 31st March, 1974.

Lead and zinc sales at 23 375 tonnes and 82 555 tonnes, respectively, for the year ended 31st March, 1975 were lower than sales for the previous year. Shipping difficulties affected sales of the two metals as well.

Cobalt sales also declined by 242 tonnes from the figure of 2 148 sold during 1973/74 financial year.

Although the tonnages sold during the last two years were roughly the same, the gross proceeds from the sale of all metals produced by the Company declined from the record figure of K555 million during 1973/74 to K479 million during the year under review. Gross proceeds from copper alone over the two years fell by 17 per cent from K517 million to K430 million. The average gross revenue per tonne of copper similarly fell from K1 300 to K1 087. These results underline the extent to which our company's performance has been affected by the world-wide trade recession. As copper prices have continued to fall since 31st March, 1975, the immediate future looks bleak indeed. Because the financial resources of our company remain essentially sound, there is, fortunately, no need to take ill-contrived measures which would render it impossible for us to take advantage of any improvement in metal prices.

Profit before tax amounted to K138.8 million, under 50 per cent of the profit before tax of K276.5 million for the previous year. Tax at K78 million was proportionately lower than the tax of K164 million for the preceding year.

Profit after tax and an extraordinary item was K38.5 million compared with K113.2 million for the previous financial year. This gave, together with K7.8 million unappropriated profit brought forward, K66.3 million (1973/74: K120.8 million) available for appropriation.

Capital expenditure amounted to K89.4 million for the year. Two-thirds of this was financed out of current profits by appropriating, in terms of the company's established policy, K39.6 million and the remainder was financed out of borrowings. In this connection, shareholders will be interested to note that, while the company's total borrowings, including bank overdrafts, stood at K12.9 million, ordinary shareholders' funds totalled K444.5 million.

The investments in stores increased by K24.9 million to K63.7 million: an undesirable occurrence in view of our Company's unfavourable liquidity position. The causes of the increase are three-fold: longer lead times which have resulted in the stores in transit increasing by K5.5 million to a figure in excess of K11 million; the quantities of stores have themselves increased and, finally the world-wide inflation of prices which has cost the Company an additional K8 million, approximately.

Subsequent to the year-end, the Company raised loans from the Standard Bank Zambia Limited of K40 million, US dollars 100 million from a consortium led by Citicorp International Bank Limited and a facility of up to U.K. £25 million from the Standard Bank Limited, London. This additional finance is necessary owing to the heavy fall in the prices of copper and because of the gloomy prospects.

Dividends on the 'A' and 'B' ordinary shares absorbed K17 million for the year ended 31st March, 1975 compared to K67 million paid during the previous financial year. An unappropriated profit of £12.3 million has been carried forward. This, together with other reserves, totalled K192.3 million (at 31st March, 1974: K159.7 million).

Conclusion

I wish to express, on behalf of my fellow directors and on behalf of the Company, sincere thanks to my predecessor, Mr. E. A. Kashiwa, for the invaluable services he rendered to this Company and to thank Mr. W. M. Chakulya, the first Zambian to be appointed managing director of our Company, for his strong and able leadership. I would also thank all employees of the Company for their continuing loyalty and dedication during the past year.

Mr. A. G. King has retired as general manager of Chingola Division after many years of a distinguished career in the service of this Company. I thank him for his dedicated service and wish him, and his family, all happiness in his retirement.

Copies of this statement with the annual report and accounts can be obtained after August 8th from the London office of the Company at 40 Holborn Viaduct, EC1P 1AJ or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, PO Box 102, Charter House, Park Street, Ashford, Kent TN24 5EQ.

EUROPEAN NEWS

Italian production drop reinforces jobless fears

BY ANTHONY ROBINSON

ROME, August 6.

FEARS that Italy faces mass unemployment in the autumn have been reinforced by the latest industrial production figures which show that industrial output dropped by 10.4 per cent in June, so bringing the decline over the first six months as a whole to 12.7 per cent compared with the first half of 1974.

On the face of it, the June figures are an improvement on the unprecedentedly bad May production figures which showed a fall of 13.4 per cent compared with May 1974. But the early months of 1974 were characterised by a very high level of industrial output which tapered off sharply as the Government's harsh credit restrictions reversed the 18-month boom in a highly successful attempt at improving the balance of payments situation.

The fall in industrial production has, for example, been instrumental in sharply reducing imports and forcing exporters to sell abroad, even at low or no profit, in order to keep plant working. This is shown by the first half trade figures showing a 7.7 per cent drop in imports (cif) to Lire11,826bn and a 21.9 per cent rise in exports to Lire10,661bn. Since September 1974, the industrial production index has shown an unbroken series of sharp declines, and earlier optimism that the economy had flattened out at a low level over the first half of this year has proved erroneous.

The downturn was felt first in the automotive industry, shoes, textiles and the construction industry but has since spread throughout industry. Up to now the relatively good performance of exports and large scale recourse to short-time working has taken some of the slack. But

the Ministry of Labour now estimates unemployment at above the 1.2m. mark and this is certainly an understatement. Hundreds of small and medium size companies have reported bankruptcy as they find it impossible to reconcile high indebtedness and high fixed costs with low plant utilisation and little indication of any upturn before 1976.

What is more, the labour contracts for over 4m. workers, including the key engineering workers come up for renewal this autumn. The union leaders have stated that their priority is maintaining employment rather than higher wages and salaries. But it is a strategy which depends largely on the Government's ability to spend effectively the funds currently being discussed in the emergency programme.

This provides for the investment of Lire3,500bn. (£2,450m.) in public works, housing, export credits and other projects aimed at having a short term pump priming effect on the economy. This is expected to be finalised shortly.

Italy is suffering "accelerated economic decay," Dr. Guido Carli, outgoing Governor of the Bank of Italy, said in an interview published today.

Dr. Carli, who leaves his post later this month after 15 years, was quoted by the weekly magazine *l'Espresso* as saying he was not very happy about the outlook for the country's balance of payments — dramatically improved in recent months after huge deficits a year ago. "The truth is that the recovery in our accounts abroad has been almost exclusively due to the low volume of imports, caused in turn by the low rate of productive activity," Dr. Carli said.

Dr. Carli presided over a reduction of the annual inflation rate from some 25 per cent to less than 12 per cent in the last year.

Austria Bank reform plea

BY PAUL LENDVAI

VIENNA, August 6.

CONSTITUTIONAL safeguards to protect the independence of the Austrian National Bank, the central bank, have been proposed by Dr. Wolfgang Schmitz, the former Finance Minister and until 1973 President of the Nationalbank.

Writing in the latest issue of the quarterly *Europäische Rundschau*, Dr. Schmitz referred to the public disputes earlier this year when the Treasury and the central bank were accused of having violated the legal obligation of the bank not to finance, even indirectly, the federal budget. At present the law on the Nationalbank could be changed at any time by a simple majority in Parliament. Dr. Schmitz suggests that constitutional protection for certain key provisions of the law necessitating Parliamentary decisions taken by a two-thirds majority would be a safeguard against a possible abuse of Government control.

Furthermore, the author considers that Austria should also follow the recent decision taken by the U.S. Congress with regard to the Federal Reserve Board. This would involve regular reporting to a Parliamentary commission by the president of the Nationalbank, without of course Parliament being able to interfere directly with the operations of the bank.

Due to pessimistic sales forecasts and a record level of stocks the Austrian Institute for Economic Research predicts for this year a fall of 8.5 per cent in real terms in investments. In the last two years, investments tallied at constant prices were down by 6 per cent and 4.5 per cent, respectively. The forecast, the second survey this year, shows that only such sectors as oil and petroleum products plan to increase their investments.

CONTRACTS AND TENDERS

NOTICE No. (245)

NATIONAL DEVELOPING PLAN PROJECTS
MINISTRY OF MUNICIPALITIES — IRAQ
THE SEWERAGE BOARD

TENDER FOR

CONSTRUCTION OF NAJAF-KUFA SEWERAGE SCHEME/STAGE 1
CONTRACT No. 1—CIVIL WORKS FOR THE TREATMENT PLANT & PUMP STATIONS
SUB-CONTRACT No. 1/M—MECHANICAL & ELECTRICAL INSTALLATIONS FOR THE TREATMENT PLANT & PUMP STATIONS

CONTRACT No. 2—SANITARY SEWERS NETWORK

The Sewerage Board invites the experienced tenderers to participate in tendering for the above mentioned contracts and sub-contract or for any one of them. A brief description of the works included in the two contracts and sub-contract is summarized below—

1) CONTRACT No. 1

Civil Engineering Works for the construction of two area sewage pumping stations (One at Najaf and the other one at Kufa city) and a Sewage Treatment Plant serving 220,000 population equivalent and consisting of settling tanks, pumping stations, sludge digestion tanks, biological filters, sludge drying beds, chlorination building, administration and control building together with the ancillary works such as pipework, channels, roads, fences, etc.

2) SUB-CONTRACT No. 1/M

Supply and erection of all electrical and mechanical equipment for the two area Sewage Pumping Stations and for the Sewage Treatment Plant described above.

3) CONTRACT No. 2

Construction of approximately 185 Kilometres of pipe sewers ranging in diameter from 200 to 1,000 mm, together with the construction of manholes, house connection laterals and other ancillary works to the network.

Fuller and more precise details of the works are given in the Contract Documents. Two sets of the Tender Documents and one set of the Drawings can be obtained from the SEWERAGE BOARD'S office in Baghdad against payment of ID. 50/- (fifty Iraqi Dinars) refundable for each of the two Contracts and the Sub-Contract.

Tenders must be accompanied by a preliminary deposit either in cash or certified cheque or by a bank guarantee issued by one of the Government Banks in Iraq valid for a period of not less than six months from the tender closing date and of the sums as follows—

- ID. 30,000/- For Contract No. 1
- ID. 7,500/- For Sub-Contract No. 1/M
- ID. 50,000/- For Contract No. 2

Iraqi tenderers should be members of the Chamber of Commerce, bearing Income Tax certificate for this year and classified according to the Planning Board's instructions as follows—

- 2nd Class Contractors for Contract No. 1
- 3rd Class Contractors for Sub-Contract No. 1/M
- 1st Class Contractors for Contract No. 2

The preliminary deposits together with other certificates and documents as required above and as specified in the "Instructions to Tenderers" of the Contract Documents should be contained in a separate envelope and enclosed together with the Tender, clearly written on the outside the name and number of the Tender and deposited in the Tender Box at the Ministry of Municipalities in Baghdad before 12.00 noon on Wednesday, October 1st, 1975.

N. Alani
D.G. & Chairman
of the Board of Directors
Dr. Najmaddin Abdul Latif

COMPANY NOTICES

IOS FUNDS (IN LIQUIDATION)

To the Investors in

THE FUND OF FUNDS LIMITED
UIT, an INTERNATIONAL INVESTMENT TRUST
IOS GROWTH FUND LIMITED

The Liquidators of the above funds announce that if any Investor has not received a Statement of Account showing his Share Balance at 3rd August 1975 he should notify his address to the Liquidators, BP 44, 01210 Ferney-Voltaire, France, stating his account number on all correspondence.

Investors in Venture Fund (International) N.V. will be contacted in due course. There is no need for them to write unless their address of record has changed.

'September limit' for U.S. bases in Turkey

By Metin Muni

ANKARA, August 6.

THE TURKISH Government will ask the U.S. to start dismantling its bases on Turkish soil and pulling out its military personnel from September 30 if the arms embargo imposed by the U.S. Congress is not lifted by that date, a well-informed source said today.

All but one of the 27 U.S. bases here have halted operations, the exception being Incirlik air base in the South-East, whose operations are restricted to Nato duties. Ankara has also abrogated Turkey's 1963 Joint Defence Co-operation Agreement with the U.S. Both actions were taken in retaliation to the embargo, which went into effect six months ago in spite of strong opposition by the U.S. Administration.

The source could not say exactly how the dismantling process would proceed. However, he expected virtually all U.S. military installations to be dismantled and the few remaining to be put under Turkish command for use by Nato.

A U.S. source said the Pentagon was not planning to evacuate personnel or equipment unless the Turkish Government gave specific instructions.

The U.S. Embassy here had commented that the Turkish Foreign Ministry spokesman was not available for comment.

The more than 6,000 U.S. military personnel here are remaining on the bases and staffs, and administrative activity by the Americans is continuing. Yesterday a Turkish Army inspection team consisting of two major-generals, a brigadier-general and two colonels, had a tour to ascertain that the Turkish General Staff instructions are being observed.

The September 30 deadline is yet another proof that Turkey does not want to break its military relations with the U.S. beyond repair.

First, there is not another country to fill the gap in Turkey's defence against the Soviet Union.

Secondly, the Turkish army, whose armory is 98 per cent of U.S. manufacture, badly needs access to the U.S. arms market for spare parts and new hardware.

Prime Minister Demirel's Right-wing coalition Government is hoping, according to political sources, that before October the U.S. Congress will revise its arms embargo.

Paris Press hit by fifth strike

By Robert Mauthner

PARIS, August 6.

THE troubled Paris Press was hit today by yet another one-day strike—the fifth in four months—organised by the powerful printers' union in effort to put more pressure on the strike-breaking owner of the popular daily *Le Parisien Libéré*.

Ironically, the only paper to support the printers' strike was again the union's *bête noire*, *Le Parisien Libéré*, several hundred thousands of copies of which were printed in a Paris suburb by printers who are not members of the main print union, the *Syndicat du Livre*.

The *Syndicat du Livre*, which announced it will follow today's stoppage with a national newspaper strike on August 20, has put out a statement claiming that all newspaper proprietors intended to carry out modernisation plans at the expense of their employees' interests.

On the other hand, a statement by the newspaper proprietors' Association accused the unions of seriously endangering jobs by their repeated strikes.

GENEVA BAN LIKELY ON 'ENVIRONMENTAL MODIFICATION'

Warfare experts try to avoid heavy weather

BY DAVID BUCHAN

IS THE current British drought a cunning Warsaw Pact plot?

The only documented case of weather warfare was the use by the U.S. of chemical defoliants in Vietnam and the less well known cloud-seeding operation carried out by U.S. aircraft to turn the Ho Chi Minh trail into impassable mud. But, although according to evidence given to the U.S. Senate the "seeding" operation went on from 1967 to 1972, and occasionally it did increase local rainfall by as much as 30 per cent, the more general effect was to swell rivers from, say, 20 inches to 25 inches. And the North Vietnamese still coped. The U.S. air force played no part in the periodic floods in North Vietnam that did Hanoi's war effort much more damage.

In a constructive effort to narrow down the negotiations in Geneva, the Canadian delegation presented a paper the day before yesterday which listed seven methods that are at all feasible with present technology: the generating of fog or clouds with chemicals (useful perhaps in concealing military movements or putting enemy airfields out of

SPAIN'S POLITICAL DESTINY

BY ROGER MATTHEWS IN MADRID

SPANISH television news is deteriorating at such a pace that Franco is going to be forced out within the next few months, General Francisco Franco playing golf on the first to go to him and say bluntly that day of his summer holiday. The he has lost the confidence of the army, the armed forces. It is already safe to assume that the Government would like him to go, but they have very little say in these matters. This would open the way for the Princes to select his own Prime Minister with moderate reforming tendencies and begin a gradual process of political liberalisation leading eventually to a democracy. In Madrid's view, the military and on the other hand, the Princes, are pressed with some vigour.

Each of these scenarios has its variations, especially the last one, depending on the extent of the role of the military and on the characteristics felt to be necessary for the sort of man who could control a political revolution. But there are assuredly all too few ready-made Prime Ministers waiting in the wings. The chances of it being a military man should not be dismissed.

The fourth scenario rests on a total rupture with the past 36 years, the immediate legalising of all political parties, rapid general elections, and a properly constituted Parliament. A large part of the Left believes this to be the only way forward and also puts in question the role of the Princes. What modern democracies have had in the past 36 years, the immediate legalising of all political parties, rapid general elections, and a properly constituted Parliament. A large part of the Left believes this to be the only way forward and also puts in question the role of the Princes.

Scenario number two argues that the Princes are now in a position to lead the country to a new democratic system. There are other more extremist scenarios, but most Spaniards prefer not to consider them, believing rightly that the four most likely options offer severe challenges on their own. At least the proponents of all four scenarios agree on one thing: that the country cannot be allowed to drift in this dangerous limbo for much longer. Politics has to be drawn up into two tactical opposed groups — the Junta Democrática with the Communist Party as its main force, and the Plataforma, which brings together Christians, social democrats, the main socialist party, and a variety of regional parties. Both groups say they are willing to work with anyone else who wants to introduce democracy but it is extremely unlikely they will come together in a united front. The actions of the Portuguese Communist Party have undermined the efforts of their Spanish counterparts to persuade people they are basically as moderate as the French or Italian colleagues.

Legislation specifically aimed against the Communist Party has been promised before the end of the year and this could serve as the eventual basis for legalising say four roughly centrist

parties but leaving the communists out in the cold. One making the right democratic noises is all too obvious to most of the business community. Yet whatever the importance of the economy and its effect on working- and middle-class opinion, there are two other, possibly critical factors that have emerged strongly during the past six months: the attitude of the military and the frightening rise in extremist violence from both Left and Right. Although the bulk of the Spanish officer corps may be apathetic politically, and its supporters through their inactivity of the status quo, recent arrests of seven captains and one major have shown that the fast diminishing number of Civil War era generals are genuinely alarmed that some members of the more junior ranks do not share their views on the authoritarian nature of the Government. And it may be the attitude of these generals, shown particularly last week that pushes further concerns into a political stance. Parallels with Portugal should as a rule be avoided, but the arrest of army officers is usually a fair indication that the political situation is heading to bubble.

Of more immediate concern is the level of political violence perpetrated essentially by the Basque separatist Marxist-orientated group, ETA, and the Maoist FRAP. The three-month state of emergency in the Basque provinces of Guipuzcoa and Vizcaya unleashed a torrent of shootings, bombings and attacks in which the role of the police and Guardia Civil was determined as strongly as that of ETA. Obviously the FRAP appears now to have acquired automatic weapons, and there were suggestions that after last week's outburst of violence in Madrid that police had begun pressing forward state of emergency to be declared in the capital.

But it also has to be remembered that Spain has shown remarkable resilience during the past two years to both political and economic crises. The killing of the Prime Minister, two major governmental crises, serious economic upsets, the revolution in Portugal, the state of emergency in the Basque provinces, the open Church-State rift, and the violence of minority groups has been borne with a resignation that might augur well for the post-Franco era. Yet, ironically, perhaps, this has been borne so calmly simply because Franco is still there. And not because of Spain's 38m. inhabitants believe that anything significant can change while he rules. It is only when he finally goes—whether from natural causes, because he is told to go, or because he chooses to go—that the real or imagined political maturity of the Spanish people will be put to the test.



General Franco: a view from the bunker.

W. German unions want reflation

BY JONATHAN CARR

BONN, August 6.

EXPRESSING deep concern over the rise in unemployment in mid-summer, West Germany's Trade Union Federation (DGB) today demanded a quicker and bigger programme to boost the economy than the one the Government plans. At the same time, the country's industrialists repeated their view that an economic upswing would not emerge alone from the kind of action Bonn is preparing.

The immediate reaction from the Government was that it would not be diverted from its timetable: a special economic report in mid-August and a more expensive raw materials programme in September.

However, the almost unprecedented July rise in the jobsless total to 1,035,200 has increased pressure on the Government to do at least a little more. For example, the unlikely to be tax advantages in the new programme — an element strongly demanded by employers and the political opposition. But the Government is now thinking of exempting its measures with a declaration of its intention in the tax field to the end of this legislative period, thereby hopefully bringing some clarity

where little exists at present. The proposed upper and lower limits of the programme are DM60bn and DM40bn—with the lion's share going to the hard-hit construction industry.

GDR export drive

BY LESLIE COLTIT

BERLIN, August 6.

EAST GERMAN living standards, the highest in the Communist world, are rising more slowly than in past years. The main reason is the new emphasis on higher exports to pay for more expensive raw materials imported from East and West.

According to the new Statistical Year Book of the German Democratic Republic the deficit in trade with the West last year amounted to the equivalent of DM2.3bn. Other figures recently released on the GDR economy show lower gains for the consumer than for the overall economy during the first six months of this year.

The GDR recorded a 5.5 per cent rise in national income in the first half of the year. However, the population saw a lower rise in retail trade turnover at 4.2 per cent. Sales of consumer durables rose 5 per cent to pay for imports.

Saudis call off plan with Bonn

By Our Own Correspondent

BONN August 6.

TO WEST GERMAN surprise and disappointment, Saudi Arabia has made clear it is not prepared to participate in trilateral development projects between Bonn, Riyadh and the Sudan.

The Saudis appear to have come to the conclusion that such participation would mean too great a strain on their resources as they embark on their highly ambitious new five-year development plan.

News of the Saudi position emerged at the inaugural meeting here of the joint committee on economic co-operation whose establishment was agreed during a visit to Saudi Arabia by West German Economics Minister, Hans Ehard, last November. At about the same time West German Development Minister, Egon Bahr, visited the Sudan and in the wake of both trips the scheme for trilateral co-operation emerged.

The plan was that West German technical know-how should be allied to Saudi oil revenue in projects in the Sudan such as the construction of a new harbour on the Red Sea and the building of an oil refinery. Had this gone ahead, the West Germans believe, it would have provided a model for extensive co-operation between the oil-producing and oil-consuming countries.

One result of the Saudi-German talks is an agreement signed under which Bonn will send experts in professional training to Saudi Arabia, with the cost borne by the Riyadh Government.

BANK OF NEW SOUTH WALES

Base Rate change

Bank of New South Wales announce that with effect from August 7th 1975 its Base rate for lending will be increased from 9.1% to 10% per annum.

Bank of New South Wales
29 Threadneedle Street
London EC2R 8BA

مكتبة جامعة القاهرة

HOME NEWS

Post Office accused of unreal prices

FINANCIAL TIMES REPORTER

THE POST OFFICE—Users National Council, a public watchdog organisation, yesterday rejected the latest postal and telephone price increases proposed by the Post Office as too high.

It put forward alternative proposals for cutting the increased revenue sought in the present financial year from £300m to £100m. The council's report also called for an independent review of the Post Office's operations.

The Post Office has said that in order substantially to reduce the organisation's deficit this year, a new increase should be made of 1p for first class letters, taking them from 7p to 8p. It also wants to raise the cost of the second class mail from 5p to 6p, and seeks to increase telephone calls from 1.5p to 3p a unit.

The council's recommendations, which were described by the Post Office chairman, Sir William Ryland, as unrealistic, called for no increase for second-class letters, a reduction of the Post Office proposal for 1p on first class mail to 5p, and that the suggested increase for telephone calls be restricted to 2.2p.

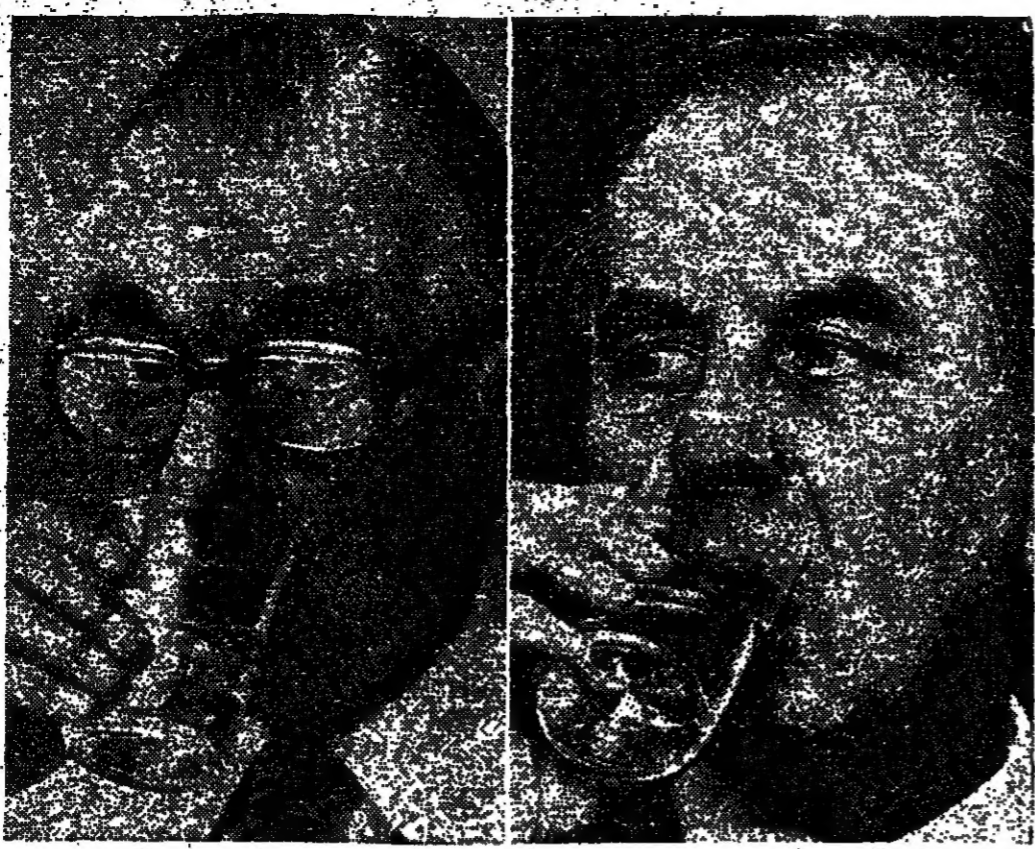
Yesterday's report, which was launched at a Press conference by the Council's chairman, Lord Peddie, seems unlikely seriously to affect the Price Commission's deliberations on postal charges. A spokesman at the Commission said: "I cannot see that the report will influence our decision very much. Our job is to get the facts. We ask for information supplied to us by the Post Office industry although, of course, we do take into consideration other information. The decision will really rest with the Minister."

Subsidies

At the Department of Industry, a spokesman said: "We cannot anticipate what the Minister will decide, but, of course, it is the Government's policy to phase out subsidies to the nationalised industries."

One of the proposals put forward by the Post Office Users is that a £20m annual pension fund charge on the Post Office could be eliminated by Government acceptance of the fact that most of the present pension fund deficit is due to events which occurred before the present corporation was set up.

Another proposal in the report is that an £80m contribution to reducing the deficit could be made by telecommunications.



A cooling-off period for Lord Peddie (left) and Sir William Ryland in the dispute over postal and telephone charges.

breaking even rather than showing a profit.

Sir William Ryland rejected the suggestion of a Government subsidy for the pension fund. He welcomed the council's support in this, he said, but went on to say that he would not be so ready to accept the council's proposals.

As for the £80m telecommunications profit which is anticipated from previous price increases, Sir William said: "It is not long ago we were being slapped in the face for making losses. Now we are being

kicked in the backside for making a profit. I really wonder what people expect us to do.

"The only way we are going to do a profit, which is what our Statute says we should be doing, is by realistic pricing."

Sir William dismissed another of the council's suggestions that a further £20m could be saved in the last six months of 1975-76. "We have a programme designed to save £60m, this year," he said. "That £60m represents a hard, tough assessment which will require a significant drop in

earnings, a recruitment stop, early retirement and a variety of things which call for difficult decisions. We are working on this programme in full consultation with all our major trade unions."

Regarding an independent inquiry, Sir William said: "We are quite willing. Our doors are open, our books are open to anybody. I just wonder if any people might think we have been worked over enough for the time being."

Sir William said there have been 11 inquiries since 1968 with three or more either in the office or suggested.

Surprise Caledonian move on Shuttle

BRITISH Caledonian Airways offered yesterday to withdraw its application for a £2 premium to be imposed on the British Airways London-to-Glasgow no-reservation shuttle service if immediate steps are taken to make domestic routes more profitable.

The offer came just before the end of a Civil Aviation Authority hearing into BCA's claim that the shuttle is unfair competition. The airline also wants the present hourly shuttle service cut to one flight every two hours.

The surprise move was made by Mr. David Beets, a Caledonian group director.

Lord Boyd-Carpenter, CAA chairman, did not comment on the offer. The CAA decision is expected soon.

After the hearing a Caledonian spokesman said: "In the light of his own recent statements about profitability on domestic routes, Lord Boyd-Carpenter will clearly give it serious thought."

right time," its introduction at a time of mounting losses on domestic trunk routes by both British Caledonian and British Airways "has worsened the overall problem."

"The CAA has said that profitability should be sought in the next year or two. British Caledonian cannot wait two or more years. Unlike British Airways, it is not State financed."

"British Caledonian's view is that it will be forced to withdraw from domestic trunk routes unless profitability is quickly restored."

Colour TV demand 28% down in June

By Arthur Sandles

THE LONG hot summer is doing little to help the depressed television industry. Manufacturers and importers delivered only 88,000 colour television sets to retailers in the U.K. in June, a fall of 48 per cent on the same month last year. The half-year total is now 28 per cent down on 1974.

The industry needs a substantial recovery to dispel the question mark hovering over the Thorn factory at Salford—once of Britain's biggest colour television tube producers.

Last night Thorn stressed that "no decision will be made without full consultation," but there is serious concern about prospects for the £20m plant in which the U.S. group, RCA, has a 49 per cent stake. Thorn is one of the two remaining British manufacturers of colour tubes and has been severely hit by low-cost imports from Japan and the general decline in demand.

Some 1,200 people are employed at the plant and discussions have been going on with Government for some months in order to reduce the level of imports.

Brake

Once again the only bright spot in the figures produced by the British Radio Equipment Manufacturers Association for the second quarter of 1975 is the decline in the proportion of imported units.

The decline, largely accounted for by the fall in sets from Europe, is substantial, and these imports continue to fall quicker than domestic production. Thorn's concern is that too many home-produced complete sets contain Japanese tubes.

Imports from January to June accounted for 15 per cent of the total compared with 34 per cent a year earlier.

VAT rises from 8 per cent to 25 per cent have proved an effective brake on any recovery which might have been expected this year after the bleak winter of 1974-75. Economic uncertainty means that retailers are unwilling or unable to hold stocks and that consumers are resisting two-year credit agreements.

Only the monochrome business continues to hold up well. Total deliveries for June were £1,000, up 47 per cent compared with June last year.

During June some 46,000 audio stereo systems were delivered, a rise of 7 per cent over June last year, but the six-month total is a per cent down on last year.

Radio receiver deliveries were £74,000, bringing the six-month total to £225m, a fall of 20 per cent.

Ulster executions claims given little credence

BY GILES MERRITT

DUBLIN, August 5.

THE SPECTRE of a powerful new terrorist organisation active in Ulster received little credence today in either Belfast or Dublin.

In spite of last night's claim by a body calling itself the People's Republican Army that it has been responsible for the execution of up to 20 British soldiers since last September, both Irish and Ulster authorities are sceptical that a Republican terror group of any size could have remained secret for almost a year.

It seems more probable that the People's Republican Army is the recently adopted pseudonym for an existing organisation. In Belfast this morning the Vanguard Party said it believed the new group was in fact the Provisional IRA "under another name."

The general Loyalist view is that the Provisional IRA has been broken together into the People's Republican Army in an attempt to break the Provisional IRA ceasefire. But sources close to the Provisionals are stressing that

stern discipline within the IRA largely rules out the likelihood of any breakaway groups.

Suspicion has therefore fallen on militant elements within the Marxist-oriented Independent Republican Socialist Party. The use of cover names by assassination squads belonging to other wide legal organisations is nothing new to Ulster in the same way that sections of the Protestant UDA have called themselves Ulster Freedom Fighters and UVF members adopted the name Protestant Action Force, the IRSP has in the past spawned an activist group called the People's Liberation Army. It is possible the People's Republican Army is its reincarnation.

Legitimate

Stormont today had little comment to make on the new organisation or its claims, although a spokesman stated: "One murder case was put by has been widely believed for

some time that a new group was operating in Ulster."

In its telephone statement last night, to the newsroom of Ireland's RTE State Broadcasting Authority, the People's Republican Army claimed to have ten units in the field and the caller, who identified himself as Lieut. Sean Blake, stated that from now on Loyalist politicians as well as members of the UVF and their families will be considered "legitimate targets" by these squads.

But it seems unlikely the organisation is as large and effective as claimed. In police circles there is considerable doubt that the People's Republican Army was responsible for the 30 murders of Protestants mentioned by Lieut. Blake.

In one of the murder cases cited, two Protestants are currently charged with the crime, while among the other incidents the names of two murdered men he mentioned were wrong and one murder case was put by about 36 hours.

Metrication target now set for 1978

BRITAIN TOOK another step towards metrication yesterday when the Government announced that it was asking manufacturers to start marking their products with both metric and imperial measures from the beginning of 1978. This is two years after the original target date for the "substantial completion" of the changeover.

The Metrication Board has criticised successive Governments for failing to take the necessary legislative steps towards metrication and yesterday's announcement will at least give manufacturers a definite timetable to work towards.

The Department of Prices said the two-year interval between yesterday's announcement and its implementation was to enable manufacturers to re-equip for the new pack sizes.

At the same time the Government announced that with immediate effect manufacturers already using metric packs should mark them clearly with the word "metric" so as to avoid confusion among consumers.

The only exception to the 1978 dual marking date will be for bottles which will be given until 1980 to make the change.

New housing appointment announced

By Joe Renshaw

STEPS to improve the management of local authority and housing association residential accommodation were announced in the Commons yesterday by Mr. Anthony Crosland, Environment Secretary.

He said that he intended to appoint a housing management adviser to the Department of the Environment and was considering setting up a small housing management advisory group to advise on the practical implications of existing housing policies and to promote good housing management practice.

The Minister said that one of the major problems facing local authorities and housing associations was the shortage of qualified professional staff. The aim of the latest moves was to see how the Department could help and to investigate ways of improving education and training at all levels for those involved in the housing sector.

The initiative was welcomed by the voluntary housing sector. It was pointed out that since the increase in this sector's activity following the 1974 Housing Act there was a desperate need for more qualified staff and a need to keep abreast of the latest thinking in management policies.

Land Rover production up by 20 per cent.

Financial Times Reporter

PRODUCTION of British Leyland's Land Rover, which has been in short supply throughout its 27-year history, has risen by more than 20 per cent this year.

Range Rover output has increased even more—by 38 per cent—in a year which promises to produce the worst output figures from the British car industry for 10 years.

Land Rover production has gone up from about 900 a week to 1,100, and Range Rover from 206 to 283 a week. In 28 weeks from the beginning of this financial year in October, some 42,126 Land Rovers have been produced, against 43,169 in the whole of the past financial year.

Part of the improvement in Land Rover output this year has been at the expense of Rover car production, now running at about half of its normal 900 a week output.

Rover has been much criticised over the years for its failure to step up production of Land Rovers.

Part of the improvement in Land Rover output this year has been at the expense of Rover car production, now running at about half of its normal 900 a week output.

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Wednesday August 28 at 10 am E.D.T. By Order of the United States District Court

Bankrupt assets of Franklin Engine Co. Syracuse, N.Y. U.S.A. Aircraft engine products. Worldwide rights for manufacture of Franklin Aircraft Engines 60 to 235 hp, including patents, licensing rights, engineering, prime. Send for details:

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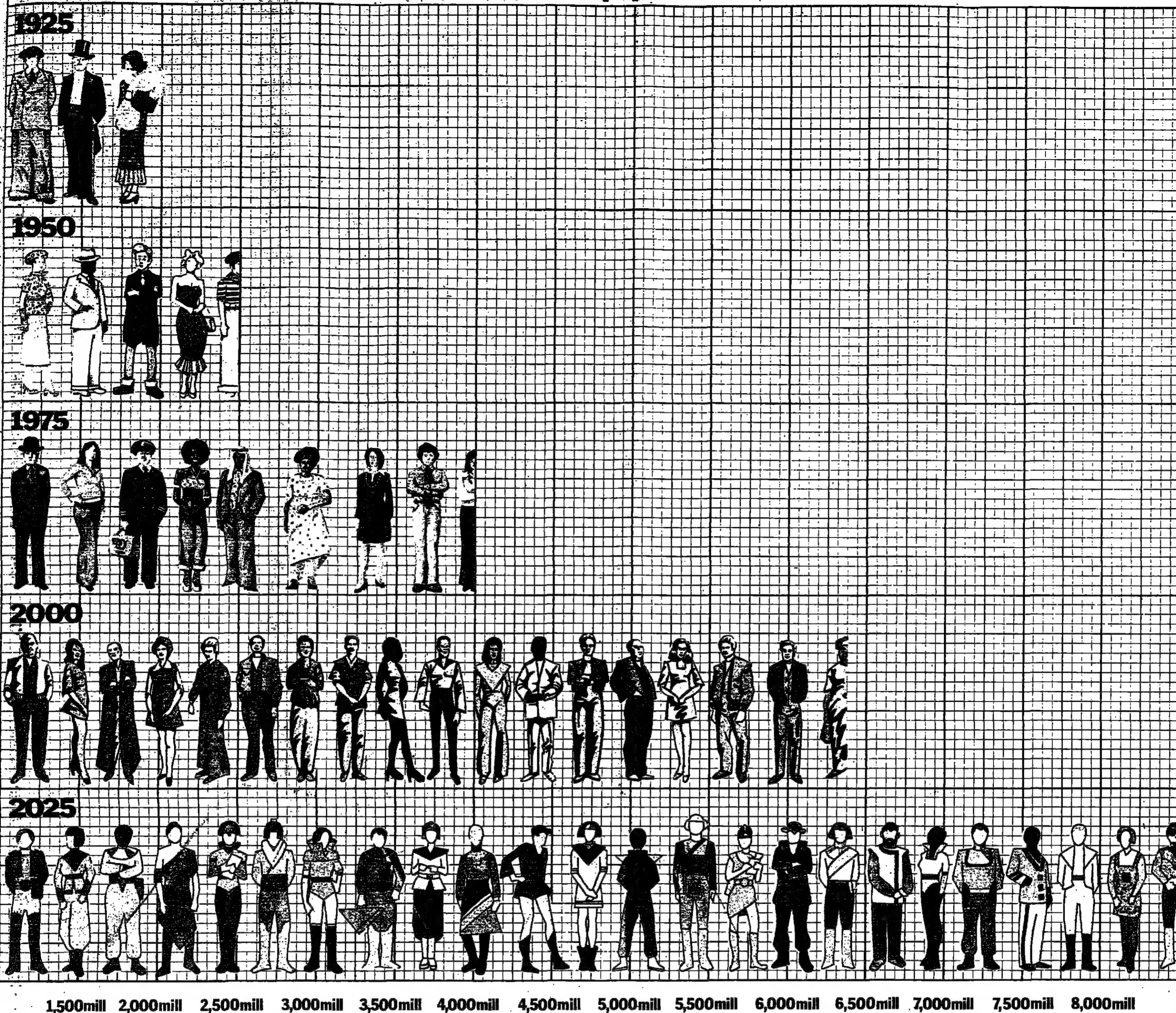
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ACCOUNTANCY APPOINTMENTS

Chief Financial Officer

(Financial Director designate)

Our long established Company is a nationally recognised manufacturer of food products sold almost exclusively through traditional grocery outlets. Operating in highly competitive markets most of our brands are leaders in their respective fields. Turnover is in the region of £30m per annum.

We require a Chief Financial Officer who will be responsible for the financial, accounting and computer activities of the Company including profit planning, cash management, tax problems, short and long-term financial activities and banking relationships. He must be able to continue the development and implementation of sophisticated information systems and controls and be capable of interpreting such information into sound business decisions. The opportunity exists for promotion to Board level within one year.

The successful candidate will have outstanding leadership skills and yet be capable of operating as part of a tightly knit team. A professional qualification and a thorough background in accounting and finance are essential, additionally recent experience in food manufacturing in the U.K. is desirable. He will probably be in his forties.

Remuneration, which will reflect the importance of the position, will be by negotiation depending on experience and ability but is unlikely to be less than five figures. Additionally, there is a bonus arrangement. A Company car will be supplied and usual fringe benefits will apply.

Candidates should apply in confidence to Box No. A.5176, giving full personal details, qualifications, and case history to date.

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Our client is a successful and expanding company, part of a major U.K. Industrial Group, who seek a qualified accountant to be responsible to the Managing Director for the provision of an effective financial and accountancy service throughout the company and its subsidiaries.

The successful applicant must have the ability to make a positive contribution to overall company management and to motivate and control a well established accountancy function.

This is the top financial appointment in the company and the early opportunity of a Board appointment exists. Salary c. £6,500 + excellent employment conditions + free BUPA + free pension and life assurance + car. Location Dorset, with removal assistance.

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The successful applicant, probably in his late 20s or early 30s, will have a good knowledge of current forecasting and modelling techniques and experience of sophisticated computer-based systems. He will be able to demonstrate the personality and ability to motivate a high calibre team in a challenging environment.

The position will be based in Hayes and as some travel between locations is necessary, a Company car will be provided. It is unlikely that anyone earning less than £5,500 p.a. will have the necessary background for this appointment.

Please write, giving details of career to date to: JMMunro, Personnel Officer, EMI Records, 1-3 Uxbridge Road, Hayes, Middlesex UB8 3SY. 01-561 8722 Ext. 176.

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■ The job calls for a qualified accountant, who is probably a graduate, in his late thirties to early forties. He must come from an engineering background where he has had total financial responsibility. Experience of other than UK accounting conventions and exposure to government contract work on long life span projects would be relevant.

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GENERAL APPOINTMENTS

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The over-riding requirement is for a 'practical' accountant; a man who automatically relates his purely professional skills to the broader commercial implications of his work. Applicants should be Chartered Accountants in the 35-45 age bracket who have gained extensive costing experience at factory level.

and then moved ahead into financial accounting laterally at, or close to, Board level. Direct involvement in pricing and effective use of computers would be a marked advantage.

While the job itself is most certainly an interesting and demanding one, a major attraction is the longer term career progression it offers - which could be throughout the international group and not necessarily limited to finance and accounting.

Starting salary will be at least £8,000 - and could be considerably more. The location is the London area and the benefits package includes a company car. (Ref: W4713/FT)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.



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will also offer sound advice on the growth potential of the company's product lines - which are currently in the multi-million pounds range. This rare bird will be a professional (sic) of graduate calibre, with extensive in-depth experience of economic analysis, research and forecasting within an international context, and an enormous facility for straight talking - to the top! Salary indicator well over £10,000 p.a. In addition to the big company benefits that go with the job. Location: London, but travel inevitable throughout Europe. If you think that you fit the bill, write and tell me all about yourself, at the following address, naming concerns to which your application should not be forwarded;

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major current issues.

The post demands a good grasp of financial affairs and the capacity for handling an extremely wide range of social, economic and other problems, both related to the UK and worldwide. It also involves close liaison with the Chairman of the Board, Chairmen of subsidiary companies, heads of specialist departments, and professional colleagues throughout the Group. It is seen as a senior and exacting appointment within the Company, carrying an appropriately high starting salary and benefits that include a car.



For further particulars and an application form, please write to Tony Fisher, Head of Information Division, Unilever Limited, London EC4P 4BQ.



Applications are invited from persons, preferably with experience in the financial and housing fields, for the position of General Manager of the Corporation constituted under the Australian Housing Corporation Act. Appointment is initially for a period of six years.

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The Corporation's functions will include the handing of money for the building or purchase of homes or the purchase of land to be used for homes.

New forms of housing assistance and the order in which they are provided by the Corporation will be determined from time to time.

The immediate task of the General Manager, who will be a member of the Corporation's Board and its chief

executive officer, will be to organise and develop this new Australia-wide Housing Corporation. Applicants for this position will be expected to demonstrate that they have the capacity to innovate in fields of policy and management.

The Corporation's Head Office will initially be in Canberra but its possible future location outside Canberra is under consideration.

Fares for the successful applicant and approved dependents will be paid by the Corporation and assistance will be provided in obtaining rented accommodation for which a subsidy may be payable.

Applications, which will be treated as confidential, should set out qualifications, experience and personal details and should be submitted marked "Confidential" to the Secretary, Department of Urban and Regional Development, P.O. Box 1890 Canberra City, A.C.T., Australia by 31 August 1975.

General Manager

[£Aust 27500 + £Aust 500 allowance p.a.]

HEAD OF ACCOUNTS DEPARTMENT

A leading firm of provincial based stockbrokers with representation in the London market seeks to fill this vacancy. A senior and experienced executive is envisaged who will take responsibility for a computerised bureau maintained accounts system and a dozen strong department. An ability to contribute to the developing Stock Exchange settlement systems is expected. Initial salary is negotiable from £5,000 plus participation in a bonus scheme* and other fringe benefits. Assistance will be given with re-location expenses if necessary.

*Write Box A.5175, Financial Times, 10, Cannon Street, EC4P 4BT.

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REQUIRES FEMALE INVESTMENT ANALYST

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Good salary and working conditions in City-based office.
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مكتبة



Labour in rush against time

By John Bourne, Lobby Editor

IN SPITE of its problems over the industry and Community Land Bills, the Government hopes that all its legislation—except the nationalisation of shipbuilding and aircraft and the car safety bills—will get on to the statute book by the end of the autumn spill-over of this session.

But such is the pressure on its programme that the spill-over, beginning on October 13, might have to over-run its normal span of a week or so to nearly four weeks.

Also the Lords is having to come back from its recess for a week at the end of September to deal with the controversial Employment Protection and Petroleum and Submarine Pipeline legislation from the Commons.

When Parliament rises for the summer recess to-day 52 Acts will have been passed by the present Government including two Finance Acts, its counter-inflation Act and the first two of its three measures: North Sea Oil—Offshore Petroleum Development (Scotland) and Oil Taxation. The Pipelines Bill is the third.

Difficult

Its main problems now are to get through the Lords the more controversial of its remaining 20 Bills by the end of the spill-over, allowing time for the Commons to send the Bills back to the Lords for reconsideration of their amendments.

Government Whips expect that the most difficult of these could be the Community Land Bill, which should occupy the Lords for most of the spill-over. But the Commons-Lords confrontation also poses problems on a number of equally controversial Bills. For example there is the Clay Cross Housing Finance (Special Provisions) Bill, which the Commons is sending back to the Lords after rejecting all the Lords amendments except the one restoring the disqualification for election of the original rebel Clay Cross councillor.

But the Government hopes that the Lords will be content with this single victory.

Closed shop

More tricky, perhaps, is the Trade Union and Labour Relations (Amendment) Bill, with its provisions for a closed shop. The Government have been frustrated here by Lord Goodman's refusal to agree to alterations to his amendments dealing with the National Union of Journalists and the freedom of the press.

The Industry Bill setting up the National Enterprise Board, also heavily changed by the Lords, will have to be considered again by the Commons in the autumn, with the Government whipping hard in an attempt to delete the Lords amendments.

Two complementary Bills—the Scottish and Welsh Development Agency Bills—have gone through the Lords and their committee stages in the Commons but still have to pass their final stages on the floor of the Chamber.

Other Government Bills awaiting completion include:

- Sex discrimination (Lords amendments to be debated by the Commons on October 15);
- Fair Employment (Northern Ireland);
- Hare Coursing;
- Policy holders protection.

Preference dividends law changes

Financial Times Reporter

A PROVISION in the next Finance Bill will amend the law relating to the taxation of dividends on fixed rate preference shares with effect from April 6, 1973. MPs were told yesterday.

Mr. Dennis Davies, Treasury Minister of State, told Mr. John Cope (C. Glos. South) "I confirm that it is the Government's intention to include legislation in the next Finance Bill which will amend paragraph 18 of Schedule 23 of the Finance Act 1972 and give to it the meaning which was generally accepted before the recent High Court judgment in the case of *Sime Darby Holdings* and others.

"The legislation will be expressed to have effect from April 5, 1973. Until the legislation is enacted, each company and its directors will have to decide in the light of its own legal advice on what basis to pay any relevant dividends following the judgment."

Romania visit

THE PRIME Minister is to visit Romania in September. Mr. James Callaghan, foreign secretary, announced in the Commons yesterday, when he answered questions about the "follow-up" to the Helsinki Agreement.

Ombudsman did not ask for Court Line papers—Wilson

THE OMBUDSMAN had not asked to see Cabinet documents on Court Line which were withheld by the Prime Minister told the Commons yesterday.

In a statement about the legal position on Cabinet documents—following an article in *The Times* about the Ombudsman and the Court Line affair—Mr. Wilson said that under the Parliamentary Commissioner Act, disclosure to the Ombudsman of matters relating to Cabinet proceedings "committees could not be required."

Mr. Wilson added that when the Ombudsman began his investigation, the Government had gone beyond this policy in terms of disclosure in order to help him.

"The Parliamentary Commissioner has since made it plain that, contrary to some allegations, he did not ask to see documents which were withheld."

"He has also said publicly that he has no reason to believe that seeing the documents would have made any difference to his investigation."

Mr. Wilson added: "I thought it would be best to make this statement so that the very important debate that will be held to-day should not be clouded or confused by allegations not relevant to matters before the House, nor for that matter even true."

Opposition leader Mrs. Margaret Thatcher accepted the Prime Minister's statement of the legal position.

She added: "It would seem to follow that the assurances given by Mr. Anthony Wedgwood Benn which led holidaymakers to take a course of action other than that which they would have pursued must be attributed fully to the responsibility of the Government of the day."

If Mr. Benn had in some way exceeded his authority that was a matter between the Prime Minister and him. "Until that time the doctrine of collective responsibility must mean that the Government was fully responsible for the assurances."

Mr. Wilson replied: "The Government accepts full responsibility and Mr. Benn was speaking in that sense in the House."

"The issue is which I have

full horror of the Court Line's lack of accounting had not been sufficiently brought to the attention of Ministers at the time."

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Pantomime

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Shore: Why there was no strong warning to holidaymakers

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THURSDAY, AUGUST 7, 1975

Curbing local spending

LOCAL AUTHORITIES may have lost a good deal of their freedom to make their own independent decisions in the matter of what they do, but in the last resort they remain autonomous bodies with their own tax-raising powers. Mr. Anthony Crosland's call for a standstill in local spending next year does not necessarily mean therefore that their total expenditure in 1975-76 will actually be no more in real terms than this year.

Used-up

The Environment Secretary's announcement was made in the light of what is now indisputable evidence indicating that local spending this year—or at least that part of their revenue expenditure which forms the basis of the rate support grant settlement—is likely to exceed the Government's growth ceiling by about 2 per cent in real terms. In other words, the whole of this year's and next year's growth allowance and a bit more besides is likely to have been used up in 1975-76. It is only fair to acknowledge that many individual councils have managed to respond to the Government's call for restraint, notwithstanding the difficulties created by the additional demands which Ministers have been placing on local authorities—and to some extent still are—and by the forward revenue implications of new capital projects. But the efforts of the responsible minority have been more than offset by the increased spending of those who choose not, or were unable, to respond.

Mr. Crosland has undertaken to issue detailed guidance, possibly before the end of this month, on the implications for local services of next year's standstill. But there are two further steps he could usefully take. One would be to keep to a minimum the raising next year in the distribution of grant between local authorities. Large and abrupt variations in an individual council's share of the grant of the kind that have occurred in the last couple of years make it doubly hard for them to keep within the Govern-

ment's growth guidelines. Secondly, Mr. Crosland should give an early and clear indication of the Government's latest thoughts on local expenditure after 1975-76, especially if—as now seems likely—next year's standstill is to be followed by a further period of nil or very limited growth.

It is true that the Government's revised thoughts on public spending are to be unfolded in the next Public Expenditure White Paper in December, but local preparations need to begin as soon as possible and, in any case, it is never easy for 521 local authorities to translate the White Paper's figures into terms which are relevant to their own local circumstances and range of responsibilities.

As it is, one does not need to be a cynic to question whether the Government's attempt to decelerate the growth in local spending will succeed, at least at the pace that Ministers expect. In the first place, the room for making quick cuts by relying upon natural wastage is limited by the prevailing level of unemployment and by the competitive ranking of local government pay. Secondly, a sustained period of nil or limited growth will require a radical reappraisal of the development of local services, which will inevitably involve a measure of redundancy in local government staff, and not all councils may be prepared to accept these prospects or give the economic situation an overriding priority.

Local voters

Thirdly, the impact on local ratepayers of inflation at present rates considerably weakens the deterrent against excessive real spending. In any case, local voters have not recently shown much inclination towards venturing their displeasure at the spending habits of particular councils, nor in some parts of the country would their votes make much difference if they did. If Ministers are to succeed in raising back local spending they may yet be forced to take the final, decisive step of supervising local authorities' budget-making and rate-fixing powers despite the considerable administrative and political difficulties this would entail.

Temporary

To the extent that the Government deliberately uses the nationalised industries to maintain employment in areas where this is not justified on commercial grounds, the cost should be segregated and met out of public funds. This is the principle behind the temporary employment subsidy, which will provide firms in assisted areas which might otherwise have made workers redundant with £10 a week per man to keep them on for three months, with a possible extension to six. The same basis of subsidy—limited special help from the Exchequer to postpone redundancy, either to ride out the recession or provide time for retraining of the employees concerned—should be applied to steel.

The terms of the inquiry into worker directors took many people by surprise. John Elliott reports

The TUC carries its attack into the boardroom

WHEN Mr. Peter Shore, Trade Secretary, announced his committee of inquiry into industrial democracy on Tuesday and so opened the way for the introduction of private sector worker directors within two or three years, he was introducing the latest in a series of pro-union policy decisions taken by the present Government in the area of industrial democracy.

Following on from the repeal of the Industrial Relations Act, these include new rights for unions and provisions for extending traditional collective bargaining in the Employment Protection Bill, together with the Industry Bill's planning agreements. In addition there are the disclosure of company information provisions in both these Bills. Now, eager to keep up the momentum, the TUC has exerted considerable pressure in Whitehall to get legislation to implement its plan for 50 per cent of a company's Board of directors—probably in a two-tier Board structure—to be elected by and be responsible to trade unions. As a result the inquiry has been set up.

But there is little real consensus among the trade unions themselves over whether this 50-50 plan is the best way to advance their aims. It is this lack of unity, coupled with the wider problems of company law, management structures, and shareholders' rights, which have enabled Mr. Shore and his Trade Department civil servants to win a battle which has raged in Whitehall for some months. In this situation, a private members' Bill sponsored by Mr. Giles Radice, a Labour MP who was formerly with the General and Municipal Workers' Union, has forced the Government's hand and led to the compromise of the Bill, basically TUC-orientated announcement from Mr. Shore.

Developments in Europe

Developments elsewhere in Europe may well colour the views of the committee of inquiry. Most important will be a new Green Paper this autumn from the EEC on the harmonisation of national company law. This may well follow the trend set by the EEC's proposed Euro company statute and suggest company Boards made up of representatives of workers, shareholders and other "neutrals" each having one-third of the directors' seats. At the same time Germany for several years has been moving towards the extension of the 50-50 system now operating in its coal and steel industries to the private sector, where workers at present hold only one-third of the seats on a two-tier Board. In France a recent report on worker directors is being considered by the Govern-

ment but has found little favour with the Communist-dominated unions. In Britain there has traditionally been less interest in such matters, partly because the unions are stronger than most of their counterparts abroad and already exercise extensive power through collective bargaining. At the same time, their political aim of fighting capitalism and changing the social order has made a German style of co-determination seem inappropriate.

Views in some quarters, however, have changed and the TUC has been officially in favour of its 50-50 system for two or three years—mainly because of the influence of two men: Mr. Jack Jones, general secretary of the Transport and General Workers' Union, and Mr. David Lea, head of the TUC's economic department and an influential figure in TUC policy-making. For some time the two stood almost alone in their belief in the plan, which still attracts powerful opposition from men such as Mr. David Bassett of the General and Municipal Workers, Mr. Frank Chapple of the Electricians and Plumbers, and Mr. Hugh Scanlon of the Engineers.

Opposed to the idea

Indeed, the committed supporters of the plan are still limited to a small group including the Public Employees and the clerical workers' union, APEX, while even some of Mr. Jones' own Transport Workers national officials are sceptical. The split in the TUC is so wide that after it had told the Plowden Committee on the electricity supply industry that unions should be given half the seats on a controlling board, almost all the unions working in the industry opposed the idea.

The opposition stems from three basic objections. First there is the attitude of the Communist Party and other staunch Left-wingers that the battle against capitalism must be fought constantly and that there must be no horse-trading along the path to revolution. (Some Trotskyites more impatiently want to use the TUC ideas as one vehicle to early workers' control.) The middle ground is held by men like Mr. Chapple who believe that they are in business to represent their members and that the concept of worker directors blurs these essential lines of conflict. The third view is held by Mr. Bassett and others who believe that it would be impractical and possibly damaging to impose from above a worker director system when the infrastructure of trade union organisation has not been fully prepared and when unions separating the workers from

room seats. A key point here is that a well-drilled union team speaking with one voice (where inter-union rivalries permit) could be almost a dominant force even with only one third of the seats because the other two-thirds might frequently lack the discipline to stand together. But if the committee did plump for a 50-50 basis then some way of resolving deadlock situations would have to be determined—perhaps with an "independent" chairman, or least satisfactorily, with the chairman alternating from either side.

There is also the primary question of the responsibilities in law of the directors and the status and authority of the shareholders' general meeting, which at present is the supreme body of a company. This would obviously have to be changed to fit in with the TUC ideas if real joint control were to be achieved and the worker directors were not merely to be participating observers. Linked with this is the dual loyalty of a worker director in the TUC plan to his union members and to the company as a whole. It is

Bandwagon

Central Wagon is already a well-known company revival story. Back in 1972 its loss was £420,000, making a total deficit of £1,350m. and last year it was back to £2m. profits. Given that the man heading the revival, Geoffrey Rose, now chairman, was a convert from management consultancy, the improvement has been cogently explained.

Steel stockholding still accounts for three-quarters of the business, but some loss-making diversifications have been cut out, with the No. 1 being aimed toward the petrochemical industry and a first step abroad taken with a joint investment in Spain to make steel tubes and pipes, one point of the location being Spain's position between the North Sea and the Middle East.

So why, now things are going well, and Central Wagon, which has enjoyed an active Stock Market life, can lay claims to growth stock rating, should Rose want another entrepreneur to under him as deputy chairman?

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not clear how these frequently conflicting interests of workers and capital would be resolved.

Then there is the question of at which point in the structure of a group of companies to introduce the worker involvement. In a single company, any dual system at board level could well be echoed throughout divisions, manufacturing complexes and individual factories in the way that British Leyland's below-board-level consultative proposals have been framed and also in the way that a plan for 50-50 control of the Post Office at all levels has been drawn up by the main post unions.

Sensitive issues

Clearly in a large group the workers should be on the boards which take the main policy decisions. But if, in a conglomerate, these are the boards of the main operating divisions, it would be comparatively simple for the management to shift decision-making on sensitive issues to some other level. The logic of this would therefore dictate worker directors on all boards although this could mean unnecessary union involvement on some small servicing subsidiary boards. It would also raise immense problems about which unions should be represented on the top board of a conglomerate which itself might have only a handful of central administrators but whose companies straddle many industries.

Following on from this is the main political hornet's nest of whether the directors should be solely representatives of trade unions—as the TUC wants—or should cover non-unionists such as middle management who may well have a major contribution to make. It is inconceivable however that in its present mood the TUC would accept a plan involving non-union representation although the inquiry will almost certainly study practices abroad, especially in Germany where three-fifths of the worker directors in the coal and steel industries are nominated by the unions and the remaining two-fifths are elected by the workforce. In the German private sector at present the worker directors are only elected from the non-union works councils.

There may be some considerable logic in nominating full-time union officials onto the Boards, instead of regularly electing them or drawing them from the workforce, because they would be able to receive special training and build up considerable expertise. But against this, such an idea would not increase the involvement of the workers themselves and would also raise problems for the union official dealing with competing companies. This raises the issues, com-

Shareholders' views

Of major importance, however, will be the way in which any schemes are introduced. The TUC envisages legislation making it mandatory for company over a certain size—maybe with 2,000 workers—having to introduce a trade-union based worker director scheme if the workers demand it. It is questionable, unless union views change radically, how many might rush in when the legislation were first introduced. But in any case there is the question of whether the Government would be prepared to foist such a development on a company without allowing the shareholders their views.

One idea floated by some Ministers is that, should a worker director system be introduced, it would start by covering only non-controversial issues such as safety and training, leaving other questions to traditional managerial administration. This would be one way to cushion the blow and to give both management and unions a chance to learn to work within a radically new system which would change the traditional roles not only of the unions and Boards of directors but also the relationships of line management with their workers. With such developments at stake, it is hardly surprising that the Government opted for an inquiry rather than immediate legislation.

MEN AND MATTERS

The churches' investment bank

The World Council of Churches' entry into banking is imminent. It is establishing the Oecumenische Co-operative Ontwikkelingsmaatschappij, and what all that means in Dutch is the Ecumenical Co-operative Development Company. The bank will be in Amsterdam and the churches are searching for a manager with a good knowledge of banking, trade, financing—and churches.

The initiative for this bank was taken at the last meeting of the World Council of Churches in 1974. Dr. G. Kok, public notary in Rotterdam, is preparing the statutes for the new bank. He says that it is going to make small development investments, the capital being £10m. subscribed for by the 260 churches of the World Council. They feel, he says, that banks usually have no scruples about how and where they invest and what the political background of the Government in certain countries is. Also, international investment banks are interested only in big projects.

Last year the World Council therefore decided to establish an organisation of its own to invest money in humanitarian projects, mainly in developing countries. The Council's attitude may be gauged from its several protests against investments and loans in South Africa. Recently the European American Banking Corporation, a major lender to South Africa, has been asked by the Council to stop investments for certain projects in South Africa.

When the World Council first decided to start its own bank, Geneva was chosen for the head office, but the Swiss Government told the World Council that, unfortunately, it might not be able to issue sufficient work-



"We've got a new sponsor!"

Coining it

Rare coins, in mint condition—supplies to order. The collector's dream has come close to reality, it seems, in Karlsruhe, where the West German Federal Mint is located. A couple of enterprising employees are alleged to have come up with the sure-fire way to make money and rolled out duplicates of relatively rare coins to sell to collectors.

considerable number were produced, have caused a flap in the Karlsruhe public prosecutor's office. Investigations have been going on for more than eight months and two mint employees have been suspended from duty while the probe continues. No one has yet been formally accused and a senior official at the office now forecasts that charges will probably not be brought before October.

In the meantime the problem remains as to what to do about the allegedly unauthorised coins that are indistinguishable to most from the real McCoy. Is it really possible to argue they are not the real McCoy when they were, after all, produced in the official mint?

Invisibles in the West End

A colleague who was recently in the London Clinic doesn't know who was most surprised when a veiled lady, all in black, looked in as he lay in bed recuperating from a post-operative dream of the harem. In fact, many clients of the Clinic come from the Islamic world. So much so that all notices appear also in Arabic and a full-time interpreter is employed—usually a female because men bring extra problems where veiled patients are concerned.

It is said that some of these patients believe that £10 is the smallest note in Britain. All in all, a useful addition to our invisible earnings.

Deciding upon relocation? Newport is an easy choice to arrive at.

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ECONOMIC VIEWPOINT

BY SAMUEL BRITTON

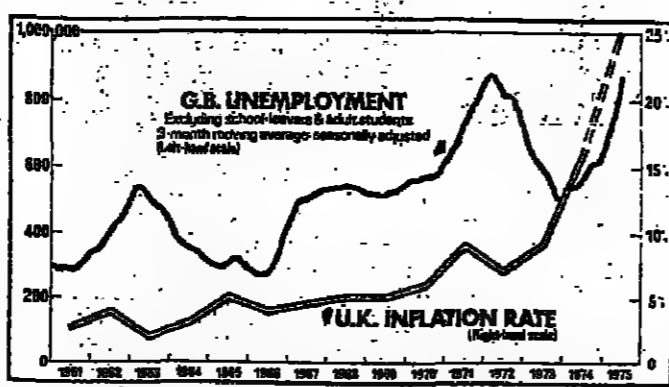
The collapse of full employment policy

IT TAKES no great insight to see that unemployment is likely to become the main domestic economic topic next autumn, winter and spring. The problem is likely to become serious on any definition and on any theory; and there may be a place for limited short-term palliatives such as the Temporary Employment Subsidy announced by Mr. Michael Foot on Tuesday.

But it is even more important to tackle the basic problem. This is that post-war "full employment" policies aimed at spending ourselves into prosperity have collapsed. The recent White Paper on incomes policy as good as promises that once price inflation has been reduced by some unspecified amount, the Government will once again start stimulating the domestic economy. Import controls are advocated mainly as a way of boosting spending on British-made goods; and it is still believed by many economists and industrialists that the Government could encourage "full employment" if it gave less priority to price stability or to "sterling".

Less priority

I am all for giving less priority to sterling; but people who believe that we could there by spend ourselves back into the statistical unemployment levels of the early 1950s and 1960s, have learned nothing from the last time. Anyone who thinks that a sufficient demand stimulus, whether domestic or export-led, would do the trick, should study the left-hand chart. The first thing that emerges is that both unemployment and inflation have been rising from one cyclical peak to the next. Were

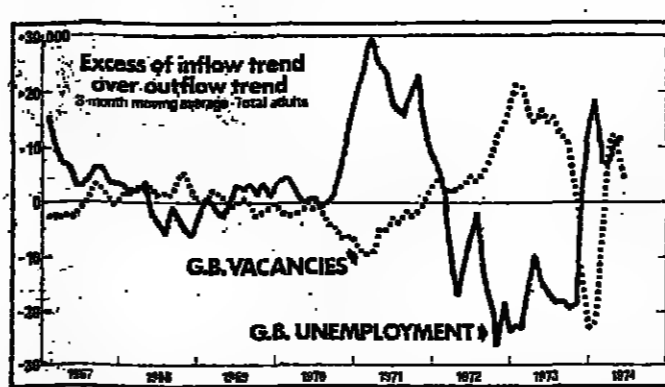


the political approach of, say, a it is called upon to meet; and Foreign Minister, if not a head of Government. Characteristically, the summit is being planned after the first course, given in heaven, but can the U.S. (which is the business cycle leader) has begun to turn upwards. So it is highly likely to be a conference for promoting inflation with no (or more likely, deleterious) long term effects on employment.

World disease

The U.K. thus emerges as a particularly bad case of a world disease. The Government's proud boast of having held unemployment below that of other countries looks siller with each new unemployment figure.

The minimum amount of unemployment which it is possible to sustain depends (a) on the efficiency and flexibility of the labour market; (b) on the outside shocks (such as the change in the structure of demand following the oil crisis) which



THE COMPONENTS OF UNEMPLOYMENT

U.K. July, 1975 ('000)

Total headline figure	1,388
Of which:	
Adult students	98
Over 60	127
Unemployed 4 weeks or less (aged under 60)	223
"Poor prospects" and "enthusiastic"	100
Total long-term unemployed among active population	530

This is almost exactly the same adjustment that I have myself made in FT articles and in my new booklet *Second Thoughts on Full Employment Policy*. The main reason why my own adjusted figure is down to 530,000 for those shown in a recent DE survey to be both "poor prospects" and "unenthusiastic" in their attitude to work.

There has been a good deal of confusion between my own adjustments in my booklet and those produced every month by Sir Keith Joseph's Centre for Policy Studies. The two sets of estimates are entirely independent, and there are differences as

to overstate the direction of the bias changes from one part of the cycle to another.

If we must use the unemployment totals for policy, the adjusted total for "long term active unemployed" will usually be better than the crude total.

Would the Heath Government have gone on obstinately stimulating spending well after the turning point of the 1971-72 recession and well into 1973, if it had realised that at some point nearer to a million than 500,000 unemployed, severe overheating would develop and the brakes would have to be jammed on violently?

But it would be far better not to use the unemployment or even the vacancy totals at all. The best available guide to the state of the labour market is probably to be obtained by looking at inflows to, and outflows from, both registers. The chart shows that in the last cycle both indicators stopped deteriorating in the first half of 1971, a year before Mr. Barber's main "reflationary" Budget. There was a net inflow of new unfilled vacancies by the end of 1971, and outflows from the unemployment register exceeded inflows by early 1972 and the excess continued up to the winter of 1973-74.

The outflow and inflow figures are, of course, far from perfect. The under-registration of vacancies means that for a great deal of the time we are dealing with very small numbers; and flows into and out of unemployment are subject to erratic variations. Yet they are the best indicators we have; and it is good that the DE is at last to publish them on a regular basis.

There will be occasion in future articles to discuss the forces which determine the rate of unemployment underlying the short-term fluctuations. One influence is the ratio of social

Assumptions

Mr. Howell made some unrepresentative assumptions. But when corrections are made, the representative family with pre-tax earnings of £53 per week is still slightly better off unemployed; and even at £65, the benefit from working is just an extra £4. This assumes a tax rebate which can run for up to 14 weeks, and the benefit levels of next November. Many unemployed families still suffer hardships for all sorts of reasons, including ineligibility for earnings-related supplement or failure to take up certain benefits. It does not follow that we should cut benefits or start a hunt for "shirkers." All I have suggested is that benefit should be taxed, which—fanciful to say—is not.

But if we do wish to treat the unemployed more generously in their periods between jobs, we shall have to reconcile ourselves to a higher level of recorded unemployment than 15 years ago. There are certain choices which not even a TUC-Dominated Government can avoid.

Bad guide

The crude unemployment totals are thus a thoroughly bad guide both to the State of the economic cycle and the difficulties of finding a job. Although their general bias is

Letters to the Editor

Social Security Pensions Bill

From The Chairman, National Association of Pension Funds and the CIB Society of Pension Consultants.

Sir,—In a letter, which you were good enough to publish on July 28, and which was quoted in the debate on the Social Security Pensions Bill in the House of Commons on Monday, we referred to a very important amendment to the Social Security Pensions Bill which was passed in the House of Lords, and we urged that "something like" the Lords' amendment ("something like" since detailed drafting is usually best left to Parliamentary Counsel and the Department concerned) should be retained when the Bill returned to the House of Commons.

When the Lords' amendments to the Bill were debated in the House of Commons to our great regret the amendment about which we were particularly concerned did not survive; and it is no doubt outside practical politics to think of its being re-instated in the Lords. But everything is not lost. We welcome the fact that in place of the Lords' amendment, which provides a specific alternative to the "top-up" premium into the State scheme, which we are convinced will be a major deterrent to employers wishing to contract out, the Government has accepted an amendment to provide for "such additional contributions as may be prescribed" thus leaving the way open for some as yet unspecified alternative. We find some encouragement too in the fact that Mr. O'Malley, speaking for the Government, said that he was prepared to go on talking about the problem with the pensions industry and that it was a matter of difficult technical problems rather than a matter of principle.

If the element of hope which these words hold out is to become a reality, it is essential that an alternative, within the limits we accepted in our last letter of involving no significant additional cost to the State, should be worked out as soon as possible in consultation with those involved in occupational pensions and promulgated at an early date and certainly not later than the last of the regulations, so that employers may be able to take it into account when considering whether or not to contract out. This is a decision which is crucial to the successful achievement or otherwise of the objective, shared by the Government, the pensions industry and the employees concerned, of maintaining and if possible extending good occupational pension schemes.

Max Lander, Chairman, The National Association of Pension Funds. Sir Donald Sargent, Chairman, the CIB Society of Pension Consultants. Prudential House, Wellesley Road, Croydon.

Positive savings

From Mr. E. Colbran. Sir,—The explanations by Mr. Richard Wainwright, MP (August 1) of the effects of the pay policy on pensions are, pre-

sumably for reasons of concision, deficient in several important respects. Among these are the following:—

1. No improvement or new pension scheme can take effect in the next 12 months for those earning over £2,500 per annum.
2. Beyond July 31, 1976, improvements for anyone can only take place outside the "pay policy" up to the minimum contracting-out—it is implicit that the cost of any excess has to be met against unknown pay limits. This appears to be the only known facet of the pay policy beyond July 1976. The result is effectively to preclude development of all those features of private pension schemes which make them superior to anything the State can do.

3. There is no authority for Mr. Wainwright's inclusion of the word "substantially" in relation to improved pension schemes. Even small improvements must have the cost set against the £6.

4. It is arguable whether the restrictions on pensions operate from July 11 or August 1 in so far as the pay policy is voluntary. Certainly there is no question of any sanctions operating for new schemes or improvements coming into force before August 1, 1975.

5. Members of Parliament have a special exemption since their own pensions are to be based on the £8,000 salary recommended by the Boyce Committee and not the £5,750 actually payable.

In view of the wide discretionary powers given to the Secretary of State for Employment under the Remuneration, Charges and Grants Act, there is little scope for the policy on pensions to be reversed. Pensions were always exempt under previous incomes policies in view of their positive advantage of saving investment which are commonly regarded as counter-inflationary.

R. B. Colbran, 6, Rammore Avenue, Croydon.

Widespread wealth

From Mr. D. Roper. Sir,—The Report on the Distribution of Income and Wealth identifies three main groups of individuals who benefit directly or indirectly from dividends, the third being "the taxpayers who own one kind or another. These substantially overlap." I suggest overlap is irrelevant in relation to institutional investment. The 14m. are classed solely as taxpayers, which infers only those counted with tax relief on the premiums, to the exclusion of others; moreover only life assurance companies (all or some?) appear to be included.

When I was chairman of the Friendly Societies Liaison Committee the committee represented 10m. policyholders or members insured for life assurance of various kinds or for medical or sickness insurance, and the funds of the societies were then £1bn. Presumably these have been ignored. I suggest that the figure of 14m. policyholders ought to be at least doubled.

On April 3, 1973, you kindly published a letter from me on

this question of wealth. Therein I stated the various forms of saving available to the public, and suggested that there is more "wealth" than has ever been estimated, and short of a compulsory inquiry into the affairs of every individual, the true answer will never be known.

Nevertheless, I consider that Lord Diamond's excellent report confirms my view that the wealth of this country is owned largely by ordinary people.

D. H. Roper, Head End, The Cornhill, Chippingfield, Herts.

Legitimate objectives

From Mr. A. White. Sir,—In these times we would do well to reflect on President Lincoln's statement made many years ago and still so appropriate. It is as follows:—

"The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do for themselves in their individual and individual capacities. And in all that the people can individually do as well themselves, government ought not to interfere."

Further, as one American statesman put it clearly 20 years ago:—

"People must learn to see that the money they get from Washington is the money they sent to Washington. Less freight charges both ways."

Arthur White, The Folly, Wood Road, Compton, nr. Wolverhampton.

The cost of caring

From The Chairman, Rates and Allowances Committee, National Foster Care Association.

Sir,—Your education correspondent, Michael Dixon, is giving up fostering (August 2) and so are many other foster parents too. There are about 83,000 children in care of which 49 per cent are looked after by foster parents or relatives and friends. The number of foster parents is declining partly because the rates and allowances paid to foster parents are so inadequate. Foster parents should be paid what the average family spends on children of different age groups. One can estimate this by using the Family Expenditure Survey updated for the cost of living and also the relative scales for each age group used for supplementary benefits.

On this basis the average family spends on a 0-4-year-old £24.00 per week and a 13-15-year-old £14.81 per week. A common amount paid to foster parents per-week for a child aged 0-4 is £5.18 and for a 15-year-old £3.54. In no part of the country do foster parent allowances cover the expenditure of an average family on a child for all age groups. In many cases foster parents are giving the community a subsidy and lowering the income per head of their own children.

The average cost of residential care is now £80 per child per week. Foster parents are looking after children at about one-seventh of the cost of residential care. They are far cheaper and they can provide greater personal contact and continuity. The problem is that they are far too cheap. There is a need to switch more resources into family care.

Maurice Newton, 18, Gores Lane, Formby, Liverpool.

AA rate changes

From The Public Relations Manager, The Automobile Association.

Sir,—The impression left by Mr. M. J. Freegard (July 31) is that despite cancelling his banker's order payment to us by cheque, VADD somehow extracted money from his account. Since Mr. Freegard has never signed a VADD form in favour of the Association, VADD just could not operate in his case. After corresponding with us about VADD during May and June he cancelled his banker's order (due on May 1) and paid his subscription to us by cheque. But he did not cancel the banker's order in time for his bank to stop payment, bearing in mind that standing orders are more often before the due payment date. His claims, therefore, that VADD "struck without warning in respect of his AA subscription" and that VADD being no respecter of standing orders had its warrant "make no sense since there is no connection between one and the other."

I would add that VADD operates only in respect of the AA subscription and its membership and Relay, and that the Association has undertaken to inform members by individual letters of any rate changes in the future.

R. S. Campbell, Forum House, Basingstoke, Hants.

The Pru and Newman Inds.

From Winifred Robinson.

Sir,—As a shareholder of Newman Industries I was disappointed to learn from "Unlooker" (August 2) that the "Pru" failed to get a High Court injunction restraining the Newman directors and even more surprised that on Tuesday, July 29, the Board of Newman had its proposals partly accepted by the shareholders in spite of the fact that the "Schroder Wage" report has not yet been made available to shareholders as promised. One may rightly ask the strength of the shareholders' support for the partial acceptance and how it was obtained. I was very strongly opposed to the scheme and I felt that any shareholder who carefully studied the proposals could have done otherwise. In my opinion every possible support should be given to the "Pru" effort together with the utmost publicity.

Winifred Robinson, 426, Stratford Road, Shirley, Solihull, West Midlands.

To-day's Events

Gardiner, Bristol, 11.30. Goodkind (W.), 7, Market Place, W. 4. Lunan (Ceylon) Tea and Rubber Estates, 1, Great Tower Street, E.C. 3. Paterson (R.), Glasgow, 11.30. Paul and White, Ipswich, 12. Raci Electronics, Charing Cross Hotel, W.C. 11.43. Wherryway Watson, Glasgow, 12.15.

COMPANY MEETINGS
AD International, 40, Broadwick Street, W. 12.
Bristol Plant, Bristol, 11.
British Tar Products, Savoy Hotel, W.C. 12.
Comben Group, Bristol, 10.30.
Cropper (James), Kendal, 10.30.
Cullens, Dorling, 3.
Doranakende Rubber Estates, 1, Great Tower Street, E.C. 12.
Ewer (George), Connaught Rooms, W.C. 11.30.

SPORTS
Yachting: Cowes Week Inshore race, part of Admiral's Cup series.
Show jumping: International Horse Show continues, Dublin.

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COMPANY NEWS + COMMENT

Glynwed down but sees same dividend

ON PRESENT estimates Glynwed is looking for profits of around £10.5m. for 1975, as would compare with £15.7m. last time, but the directors expect to maintain the dividend.

In the first half (to June 30) profits contracted from £8.4m. to £2.5m., and the second half is expected to produce about the same.

The interim dividend is again 2.5p net. Total for 1974 was 6.25p.

Turnover	1974	1975
£m.	105.80	107.37
Profit before tax	8.4	2.5
Taxation	1.5	1.5
Net profit	6.9	1.0
Dividend	2.5	2.5
Reserves	10.5	10.5

Despite the recession in most of the industries served, the building and consumer products divisions maintained the same overall level of profitability as in the first six months of 1974, the consumer durables in fact showing some improvement. Steel re-rolling and engineering divisions produced somewhat higher figures but the world-wide recession in steel production and demand has been reflected in a reduction in profitability in steel stockholding.

The South African subsidiary suffered from a sharp reduction in the level of building activity and contributed only a small profit.

Efforts are being concentrated on generating cash for the first six months of the year ahead of budget and at the end of June was operating comfortably within the facilities available.

Group products include steel and copper tubes, lead sheet and pipes, steel flooring, plastic products, heating and cooking appliances.

See Lex

Melody earns and pays more

FOR THE year to March 31, 1975, pre-tax profit of wallpaper manufacturers, Melody Mills, shows a £85,506 advance at £379,336.

At half-way, when a rise from £37,000 to £110,000 was reported, the directors said they anticipated profits for the full year would not be less than for the previous 12 months.

During a year in which the wallpaper market remained fairly static the company's sales within the U.K. have shown a "dramatic" upward trend, partly due to the policy of ensuring that the company's products "always offer good value for money".

Under the circumstances the directors consider the results to be satisfactory. Earnings per 25p share are shown to have risen from 8.4p to 10.7p and the dividend is lifted from 2.25p to 2.50p net.

Turnover improved from £2,64m. to £3.3m. Tax loss £104,087 (£163,547) and attributable balance increased from £148,222 to £181,090. The carry-forward is £337,466 (£504,323).

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J. Austin doubled at £1.43m.

TURNOVER for the year to March 31, 1975, of James Austin Steel Holdings increased from £5.5m. to £9.1m., and pre-tax profit expanded from £0.73m. to £1.43m., after £0.38m. against £0.25m. for the first half.

Stated earnings per 25p share increased from 11.54p to 23.52p, and the dividend is lifted from 5.5p to 10.75p net with a final of 2.50p. The dividend increase keeps holders in line with current inflation, but in future the policy will have to take into consideration any Government directive which may apply, points out chairman, Mr. A. V. Wilson. The company was made public in September 1973.

Present trading conditions together with current and likely investment make it imperative to a strong cash position, the chairman adds.

Trading activity during the first four months of the current year has been satisfactory at a reduced level but, due to the economic climate at home and internationally, demand from steel using industries shows a significant decline.

The low level of capital investment compared with a year ago is now being reflected in the future demand for structural steelwork, although the structural division has been fully committed for the first half.

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Austin, given the depressed state of the U.K. steel sector for much of the period. The structural engineering side, where the order position remains solid for the first half of this year, together with a healthy export trade in steel plate for the shipbuilding sector, are the success stories on the trading front. Meanwhile a net cash position of £1m. has meant that the company has avoided the financing problems now inherent in the stockholding industry. The point now is, how long can Austin buck the trend? With the structural side short of orders for the second half, and with demand and margins lower on the export front, it can only be a matter of time before the depression bites deep. Still, the strong balance sheet leaves the company better placed than most which must surely be reflected in the shares, currently at 48p for a yield of 14.7 per cent.

Second half loss at Hollis

REFLECTING a "substantial" write-off provision following the decline in European softwood prices, and higher interest of £1m. against £0.4m. pre-tax profit of Hollis Bros. & E.S.A. slumped from £2.46m. to £0.63m. for the year to March 31, 1975. At half-way the fall was from £1.7m. to £0.89m.

A final payment of 2.43p (40p) rates the dividend total per 25p share from 3.17p to 3.17p net.

The directors anticipate that the measures taken are wholly adequate, and say that trading data shows a level of profitability which would lead to improved results for the current year.

The company operates as timber importers, sawmillers, flooring contractors, woodworkmen.

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facturers and educational equipment makers.

Comment

All the downturn in Hollis's 1974-1975 profits—75 per cent, pre-tax—must be due to the collapse in the softwood market since the group claims that before the write-off, trading profits were actually higher. The manufacturing division has held up well and the group is now trying to reduce its merchandising side, heavy stock position, which was largely responsible for the big increase in last year's bank borrowings (reduced in the more than doubled interest charges). However, the timber sector generally is still very depressed and a significant pick-up in activity is unlikely to be seen until there is a real improvement in U.K. construction.

So although the group should be able to put profits back on a rising trend in 1975-76 it might be too soon to hope for a full recovery to the level of 1973-74. At 48p, a yield of 14.3 per cent, is probably taking this into account.

Second half profit down to £0.6m.

PRE-TAX profits of the Steinberg Group of handkerchiefs, handbags and footwear makers, have fallen from £555,014 to £288,733 for the year to March 31, 1975, with stated earnings per 10p share down from 5.5p to 2.88p.

A maximum permissible final dividend of 0.537p makes a net total of 0.537p for the year, compared with 0.537p previously.

In the first half, reported, first half profits ahead from £364,000 to £391,000, the directors said that, under current economic conditions any forecast for the year would be unwise.

They now explain that the profit reduction is largely attributable to losses incurred in the North American handbag and footwear divisions—steps have been taken to rectify the situation.

There are extraordinary losses below the line of £131,934 (£131,349) stated after provision for tax relief and attributable to relocation costs and expenses, including redundancy payments, arising out of the sale of Steinberg House, London, and the move to Milton Keynes, except for a provision in the region of £18,000 against the loss of investments in associates in New Zealand.

For the year to March 31, 1975, the 0.9422 total (same interim paid last August) is equal to 1.4485p (1.40625p) gross. The net total for the year 1974 was 1.3675p.

The company ceased to operate as a financial trust on January 22, 1975, and during the period January 22 to April 4, 1975, operated as an investment trust company. In the Board's opinion it will qualify as an authorised investment trust with effect from April 5.

Its subsidiary, Second Moorside Trust reports first half 1975 gross revenue of £268,817 (£217,190). Tax taken, £37,985 (£59,873), leaving £147,064 (£128,054).

Dividends totalling 0.9422p after tax of £1,757 (£120,240). The interim dividend is 0.849p net (0.875p) per 10p share. Last year's total was 2.355p.

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Dividends totalling 0.9422p after

MINING NEWS

Nchanga tightens its copper belt

By KENNETH MARSTON

IN THE LIGHT of the depressed level of copper prices, the immediate future looks bleak indeed for Zambia's Nchanga Consolidated Copper Mines. But the chairman, Mr. A. J. Soko, adds in his annual statement that financial resources remain essentially sound and there is "no need to take ill-contrived measures which would render it impossible for us to take advantage of any improvement in metal prices."

Even so, the big copper complex barely broke even in the March quarter and may have done no better since then. Mr. Soko says that an urgent re-appraisal of operations is to be carried out with a view to reducing operating costs, "the repercussions in terms of redundancies" being kept to a minimum. At the same time, however, Nchanga, like its sister Copperbelt group, is suffering from the departure of highly-skilled expatriate workers.

Apart from the low level of metal prices—Nchanga also produces lead and zinc—earnings are being hit by the copper production cutbacks instituted under the CIPPEC agreement. This means that the group's current-year copper production could fall by as much as 300,000 tonnes from 400,000 tonnes in the year to last March when sales amounted to 390,100 tonnes.

Meanwhile, inadequate transport facilities coupled with congestion at the available African ports are contributing to the rise in costs and to the build-up of unsold copper stocks. At end-March these amounted to 55,340 tonnes compared with the normal "pipeline" total of between 30,000 and 35,000 tonnes.

In all, it is an unhappy picture. But the Nchanga Copperbelt mines are in good shape technically and the hoped-for warmth of a recovery in copper prices will melt many of their problems. It is a case of waiting for better times. Meanwhile, no early resumption of dividends can be expected from Nchanga, which is 51 per cent owned by the Zambian Government and 49 per cent by Zambia Copper Investments. Shares of the latter named were 54p yesterday.

NEW PAPUAN COPPER FIND

Four geologists from the Papua New Guinea Government's geological survey department are reported to have made a further copper discovery in the remote Star Mountains region of Papua New Guinea. The discovery, which is said to be a "one-for-all" find, is said to be a "one-for-all" find, is said to be a "one-for-all" find.

BIDS AND DEALS

GEI bids for Tobenoil

TWO ENGINEERING companies, headed by Irish accountant, Mr. Thomas Kenny, are proposing to get together by way of a £2.5m. bid by GEI International for Tobenoil.

The bid will be for all the Tobenoil's capital, shortly to be increased to 14.12m. shares by way of a one-for-ten scrip issue. GEI's shares moved up 1p to 22p on the news, while Tobenoil gained 2p to 25p.

Terms are one GEI share, plus 20p nominal of an existing 10p scrip, partly covered by unsecured loan stock of £500,000, currently standing at 65p for every 20p Tobenoil share. This is worth 27p a share and the scrip, and a share in the company are currently being quoted on the scrip.

The shares go ex-dividend on August 11.

Mr. J. O. Sewell, managing director of GEI and also a director of Tobenoil, said the last two acquisitions by GEI had taken the company into the areas of foods and pharmaceuticals.

"Tobenoil operates Tobenoil makes specialised wrapping and packaging machines for these industries—but not making the same product."

Mr. Sewell thought GEI could do a lot for Tobenoil. "In the market place," particularly overseas where Tobenoil did not have representation of GEI's size. Additionally, he saw the two companies trading internally with GEI supplying equipment, such as gears for Tobenoil's machines, which it did not do at present.

The loan stock to be issued will be convertible at 200 nominal per cent at the rate of 21 GEI shares for every £15 of stock between July 18 and August 14 in any year between 1975-78. The offer is subject to usual conditions, including there being no reference to the Monopolies Commission.

Independent advisers are Samuel Montagu for GEI and Slater Walker for Tobenoil.

A 13.5 per cent stake in Tobenoil is held by Colonial Securities Trust—which forms part of the Drayton/Montagu stable, but which has not been consulted as to its attitude to a bid.

Documents sent out by Samuel Montagu.

NET DOWNTURN

Pre-tax profits of NBT, formerly Tobenoil, fell from £275,378 to £266,371 in the first half of 1975, before providing

CONCRETE LIMITED FORECAST ACHIEVED PROFITS OVER MILLION

Salient points from Chairman's statement

- * Forecast achieved and profits recovered to £1,055,000.
- * Dividend increased to maximum permitted.
- * Improvements in liquid assets of £1,200,000.
- * New mechanised production of flooring introduced.
- * Manufacture concentrated by reorganisation into two thirds of existing factories and surplus properties made available for sale.
- * The year has started well with three months profits in advance of same period last year. However the rate of receipt of orders makes it certain that activity will drop in latter part of year.
- * Because of the concentration of production we shall be able to continue to operate reasonably profitably unless the situation deteriorates further than now seems likely.

BISON

Copies of Report and Accounts for the year ended 31st March, 1975, can be obtained from The Secretary, Concrete Limited, Thorney Lane, Iwer, Bucks, SL0 9HQ.

British Cotton & Wool sets its policy

British Cotton and Wool Dyers' Association is continuing to merchant a variety of yarns for the knitting trade and believes this to be the right policy, says the chairman Mr. G. J. Lowe.

To increase capacity, one unit previously active in the dyeing of Subbing in Bradford has been converted to process high bulk acrylics and will become operative in the autumn.

The company is one of the major suppliers of this type of yarn for the overseas knitting industry in which "we believe there is growth potential given the right economic climate."

At New Milton, Timber and Abbott and Griffiths future profitability is dependent very much on the expansion of the national house building and replacement markets. Current cost increases in labour and materials for the kitchen, furniture ranges are being offset by using more efficient production methods.

Mr. Lowe stresses how difficult it is to estimate earnings for the current year. "Extending the slubbing activity which is being closed, the company is trading profitably and a strict control over profitability is being maintained."

As reported on June 27, turnover for the year ended March 31, 1975, came to £2,770m. (£2,000m.) and there was a loss of £59,482 (profit £27,280). There is no dividend (£1,547).

A split of turnover and loss (profit) shows: textiles £2,022m. (£1,547m.) loss £59,482 (£27,280); miscellaneous £648m. (£453m.) profit £27,280 (£1,547).

At a meeting, Manchester, September 4 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interim or final and the sub-divisions shown below is based mainly on last year's practice.

Confidence at Philip Harris

MR. N. H. RUSSELL, chairman of Philip Harris (Holdings) says in his annual statement that in spite of Government educational expenditure cuts at all levels, science education must continue and he is still confident that the company will obtain an increased share of the market at home and abroad.

Substantial demands have been made on liquidity by increased stocks and the high level of inflation. A "significant" portion of the stock increase was in finished goods for export awaiting shipment and finance clearance. The directors are actively engaged in dealing with the problem.

Since the end of the year all production has been concentrated at the factory at Westonsuper-Mare and the Highgate Square premises offered for sale. The contract for the sale of premises at Ludgate Hill and Lionel Street has still not been completed.

Pre-tax profit for the year to March 31, 1975, reported July 25, improved from £475,107 to £479,882 and the dividend is lifted from 3.1p to 3.2p net.

A percentage analysis of sales £2.1m. (£4.45m.) and profit shows: scientific apparatus 87 (75) and 76 (80); pharmaceutical chemicals and surgical appliances 23 (37) and 24 (10).

On a geographical basis a percentage breakdown of exports £1,69m. (£1,21m.) discloses: Africa 45; Middle East 35; Europe 8; West Indies and the Americas 8; other markets 4.

Meeting, Birmingham, 20 August 25 at noon.

Peldayne provision £0.37m.

THE PROVISION made against property values in the 1974-75 accounts of Peldayne (Holdings) was £368,000, representing an overall reduction of 10.3 per cent, says chairman Mr. R. Orton in his annual statement.

Provision has also been made for possible losses on the remaining joint ventures to the extent of £2,300,000. Net tangible assets attributable to the three classes of capital after all provisions, stand at £2,021m. Allowing for full dilution of the Deferred Revenue Reserve, the revised net asset backing to the Ordinary is 34.5p per share.

In 1974-75 the group disposed of certain low-yielding (less than 5 per cent per annum) properties, which were sold at a profit. The proceeds were utilised in reducing short-term indebtedness. Capital losses of £29,216 were incurred giving an overall deficit of £2,300,000 on aggregate book values of £40,448. The balance sheet includes borrowings reduced to £1,250m. against total funds employed of £3,250m.

Mr. Orton says in the current year the group has achieved a small improvement in profit. But operating costs are constantly rising and conditions generally are unpredictable.

As reported on July 25, the year ended March 31, 1975, produced a profit of £15,160, against a "spectacular" increase in the loss of £55,911 in the previous

Grovebell dispute

Pressure on the directors of Grovebell Group, whose interests cover motor distribution, property and caravans to agree to a number of new directors on the Grovebell Board, is being maintained by two separate parties with another round of letters to shareholders.

The moves are being resisted by the Grovebell Board, headed by Sir John Roxburgh, which last week requested temporary suspension of the share listing pending publication of particulars of a proposed reorganisation.

A Grovebell shareholder, Somerset Investment, a Gurnsey-based company, has written outlining details of discussions. It has had with Sir John and again questioning the benefit to the company of the proposed reorganisation since the chairman was appointed with his fellow directors in late 1972, the new board as "so singularly failed to earn and pay a dividend to the Ordinary shareholders."

Somerset also finds it "hard to understand" how Grovebell, at a time of quadrupling oil prices and other signs of economic deterioration, could have considered it prudent to invest in an airline.

Another letter to shareholders from Mr. Ronald Bray—covers similar ground and poses the question of why, since the chairman was appointed with his fellow directors in late 1972, the new board as "so singularly failed to earn and pay a dividend to the Ordinary shareholders."

Parambe loss £0.59m.: no dividend

Reflecting a loss on disposal of investments of £568,730, against £2,774, and oil exploration costs of £2,774, Parambe has incurred a pre-tax loss of £593,339 for 1974, compared with a profit of £51,285 for 1973.

There is no dividend, against 0.861p net for 1973.

The year's loss is struck before debiting an extraordinary item of £455,653 and £500,042 unrealised depreciation on investments. The £455,653 balance on investment reserves account.

MINING BRIEFS

MONROVIA—July output of tin 11,000 tons (June 10,000 tons).
PARAGUAY—July output of tin 11,000 tons (June 10,000 tons).
PERU—July output of tin 11,000 tons (June 10,000 tons).
RUSSIA—July output of tin 11,000 tons (June 10,000 tons).
UNITED STATES—July output of tin 11,000 tons (June 10,000 tons).

RECENT ISSUES

EQUITIES

Issue	Price	Yield	Dividend
1. F.P. 11/16	11/16	11/16	11/16
2. F.P. 11/16	11/16	11/16	11/16
3. F.P. 11/16	11/16	11/16	11/16

FIXED INTEREST STOCKS

Issue	Price	Yield	Dividend
1. F.P. 11/16	11/16	11/16	11/16
2. F.P. 11/16	11/16	11/16	11/16
3. F.P. 11/16	11/16	11/16	11/16

"RIGHTS" OFFERS

Issue	Price	Yield	Dividend
1. F.P. 11/16	11/16	11/16	11/16
2. F.P. 11/16	11/16	11/16	11/16
3. F.P. 11/16	11/16	11/16	11/16

OGILVY & MATHER INTERNATIONAL INC.

Advertising

HALF-YEAR RESULTS 1975

Summary of unaudited results for the half-year ended 30 June 1975 with comparative figures for 1974.

	\$ 1975	\$ 1974
Gross income....	45,763,938	39,799,731
Less operating and other expenses...	40,418,994	34,322,960
Profit before tax	5,344,944	5,476,771
Taxation.....	2,838,529	3,255,890
Profit after tax...	2,506,415	2,220,881
Earnings per share	138 cents	123 cents
Dividends per share.....	50 cents	40 cents

A dividend of 25 cents per share was paid on 28 February and a dividend of 25 cents per share was paid on 30 May. A further quarterly dividend of 25 cents per share has been declared for payment on 29 August to stockholders of record on 8 August 1975.

Harold Ingram

Designers & manufacturers of knitted garments

Encouraging technical developments

In his statement to shareholders Mr. Harold Ingram, the Chairman, reported that sales had increased during the year to £6,730,427 from £6,132,975 and the total net dividend of 2.38p was the maximum permitted. Pre-tax profits, however, had declined from £290,446 to £458,211, hit by the combined effects of rising costs at home, low cost imports, substantial de-stocking by customers and high provisions for bad debts. Low cost dumping by overseas manufacturers, said Mr. Ingram, was a serious and continuing problem and margins had come under extreme pressure.

There were some signs that customer de-stocking was ending and, more encouragingly, the technical department had achieved some solid break-throughs in researching and developing new fabrics. These had received an extremely good initial response from customers, some of whom had already placed substantial orders.

Concluding his report, Mr. Ingram said: "It is becoming increasingly clear that innovation in raw material handling, as well as design ability, is of the utmost importance and this is the direction in which the company must go to ensure its continued prosperity. I hope that, within the next few months, this new diversification will start paying dividends and produce the rate of growth to which we have become accustomed."

PRETORIA PORTLAND CEMENT COMPANY LIMITED

PRELIMINARY REPORT FOR THE YEAR ENDED 30th JUNE 1975 AND DIVIDEND DECLARATION

Preliminary Report for the year ended 30th June 1975

The trading results of the holding company and the group for the year ended 30th June 1975 are shown below.

	Consolidated 1975	1974	Holding Company 1975	1974
Turnover (Excl. Inter Group)	90 539	82 079	32 320	28 138
Trading profits	14 121	11 579	7 053	6 701
Dividends, interest and fees received	917	886	1 976	1 891
Less: Interest paid	1 651	514	17	—
Profit before taxation	13 487	11 951	8 932	8 592
Less: Taxation (incl. deferred taxation)	5 486	4 058	3 298	2 653
Profit after taxation	8 001	7 893	5 634	5 939
Attributable to outside shareholders' in subsidiaries	1 495	1 303	—	—
Profit after taxation and outside shareholders' interest	6 506	6 590	5 634	5 939
DIVIDEND	2 168	2 158	2 158	2 158
	4 338	4 432	3 476	3 781
Fully paid shares in issue ('000)	11 991	11 991	11 991	11 991
Earnings per share (cents)	54.3	55.0	46.8	49.5
Dividend per share (cents)	18.0	18.0	18.0	18.0

FINAL DIVIDEND

A final dividend of 10.5 cents per share has been declared in terms of the dividend notice published herewith, making a total dividend for the year of 18.0 cents per share.

Declaration of Dividend No. 135

Dividend No. 135 of 10.5 cents per share has been declared in South African currency payable to members registered in the books of the company at the close of business on Friday, 29th August 1975.

The register of members will be closed from 30th August 1975 to 7th September 1975 both dates inclusive, and dividend warrants will be posted on or about 1st October 1975.

Where applicable taxation by way of non-resident shareholders' tax will be deducted from the dividend payments at the rate of 14.1 per cent.

The full conditions of payment of this dividend may be inspected at or obtained from the company's offices in Johannesburg or in London.

By order of the Board
G. H. Buterman, Chairman
R. F. H. Hallings, Deputy Chairman

Registered Office:
6th Floor,
Devonshire House,
49 Jorissen Street,
Bramfontein,
Johannesburg,
2001.

Share Transfer Office South Africa:
Rand Registrars Limited,
Devonshire House,
P.O. Box 2068,
Johannesburg, 2000.

Share Transfer Office of the London Secretaries:
P.O. Box 102,
Charter House,
Park Street,
Ashford,
Kent TN24 5EQ.

London Secretaries:
Charter Consolidated Limited,
40 Holborn Viaduct,
London EC1A 3JF.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Bitter struggle for control at Winns

BY OUR OWN CORRESPONDENT

A BITTER struggle for control of the Sydney-based retailer, Winns, has broken out in the wake of plans by the company to acquire several stores from Burns Philp and Co. One of Australia's largest companies, Burns Philp conducts diverse activities operating as a merchant, shipping and general agent, investor and retailer. The group wanted to quit retailing after an attempt to expand this side of the operation went sour. Burns Philp brought its retailing activities under the banner of "Mates" stores in mid-1973 with plans to expand. But things went wrong and in 1974 the Mates division lost \$A220,597 and incurred heavy losses in the first half of the current year. The group has now finalised plans to sell six stores to Winns and negotiations are at an advanced stage to sell another seven. Consideration is also being given to selling the remaining four stores, thus quitting retail operations altogether. The sale to Winns is valued at \$A3.4m, made up of \$A1.4m cash, the issue of \$A1.85m of Winns debentures and the allotment of 340,000 Winns shares—equal to 9.6 per cent of the retailer's capital.

News of the deal brought an instant and angry reaction from small Sydney investment company, Winthrop Investments. Winthrop in recent months has built up a strategic holding of

Australian broking rates rise

BY OUR OWN CORRESPONDENT

AUSTRALIAN Stock Exchanges today voted to increase brokerage rates despite opposition from many broking firms. The new rates, the first changes in ten years, were agreed to at meetings held in Melbourne, Sydney and Hobart. They are expected to lift brokers' overall income by 10 per cent to 12 per cent, and the increases take effect from September 1. The major change is a lift from 2 per cent to 2.5 per cent on the commission on buying or selling orders worth less than \$10,000. On the first \$5,000 of bigger orders, a further important alteration is the halving of

SYDNEY, August 6.

asset backing of \$A1.57 a share. The offer is conditional on the Mates deal not proceeding. Winthrop directors claimed in a letter to Winns that they were "amazed" to learn of the proposed Mates deal, particularly because of recent discussions and negotiations between merchant bankers Partnership Pacific, for Winthrop, and Deila Corporate Services for Winns.

Opposition to the increases was mainly centred in Melbourne where a number of exchange members lobbied against the proposals in one of the most significant efforts in several years to influence official policy. The clean and the closing date, and it seems that the managers were loath to put the coupon at the significantly higher level which would now be required. The two most recent foreign issues in this market, Australia's seven year issue and Norway's five year one, were yielding 9.91 and 9.13 per cent, respectively, on Tuesday.

A major factor behind the deterioration of bond market conditions in New York has been rising commercial bank interest rates, which have been backed by authorities suggesting continuing tight money policy. Another unsettling factor has been New York City's financing problems. A number of domestic bond issues have been postponed, including most recently \$500m for Consolidated Edison which was scheduled for August 12. Con Ed has said that it plans to reschedule the sale as soon as market conditions become more settled.

EIB \$100m. Lufthansa rights issue to raise DM210m. gross

By Mary Campbell

THE EUROPEAN Investment Bank's \$100m, issue in New York has been postponed indefinitely. Lead manager Kuhn Loeb said yesterday.

The reason for the postponement is the rapid deterioration of New York bond market conditions since the issue was announced. Although the prices of foreign bonds have been less affected than those of domestic bonds, foreign bonds are estimated to have fallen between a half and three-quarters of a point on average over the last week.

The terms of the EIB's proposed issue have already been changed once—originally two equal tranches were intended, one for seven years and one for five years. However bringing the overall maturity of the whole issue down to five years has been insufficient to ensure success.

Market sources had expected a coupon of 9 per cent, to be placed on the issue (in New York, coupons are not formally fixed until the closing date) and it seems that the managers were loath to put the coupon at the significantly higher level which would now be required. The two most recent foreign issues in this market, Australia's seven year issue and Norway's five year one, were yielding 9.91 and 9.13 per cent, respectively, on Tuesday.

It is thought that a coupon of 9.25 per cent would probably have been required on the EIB issue.

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FRANKFURT, August 6.

LUFTHANSA, the West German airline, today announced a rights issue aimed at raising DM210m. Shareholders are to be offered shares with a nominal value of DM2.50 at a premium of DM2.50 per DM50 nominal share.

The rights issue, being offered at a ratio of one-for-two, was approved at the 1973 annual meeting exactly two years ago. It was then that shareholders agreed the DM200m. increase in the airline's authorised capital. No attempt has been made to increase the nominal capital since the 1973 general meeting. With Lufthansa shares nudging the DM46 mark on the bourses last year—DM55 under par—there was little incentive for it to do so.

In recent months the airline's share price has greatly improved, however, and yesterday was trading at around DM61 for Ordinary shares and DM61.80 for Preference shares on the Frankfurt Stock Exchange.

It was the increase in share price, coupled with the improved West German capital market which has persuaded the airline to make the issue. In doing so, they are following in the footsteps of other giants such as the Deutsche Bank and Bosch, which have been among the leading German concerns to increase their capital this year.

The rights issue, however, does not herald any major expansion plans. Lufthansa explained today that it was intended to improve the ratio between the equity base and fixed assets.

There has been no increase in nominal capital since 1968 and since then the airline has grown vastly. Turnover over the ten years has grown from 1963's DM8.85m. to DM3.3bn. while fixed assets have increased from DM800m. to DM1.5bn.

Lufthansa has been chary of forecasting its results this year, all that has been said is that it does not expect to make a loss. It has refrained from making a forecast of profits because of the current economic circumstances. However, passengers in the first quarter of the business year—the latest figures available—show an increase which has, it is understood, offset a decline in freight transport.

An interesting fact of the issue is that the independent shareholders in the airline—the West German Government holds some 73 per cent—are being offered either Preference and/or Ordinary shares. They will obtain them through a consortium of German banks led by the Deutsche Bank. The Government will obtain its shares direct from the Airline. All shares have enabled the airline to show a profit and, thus, pay a dividend.

For the 1974 business year

CIBA-GEIGY, the West German subsidiary of the Swiss chemicals concern, stated today that it is not prepared to forecast the likely outcome of the current business year. Prevailing economic conditions made prognosis very difficult, it said.

All the company would say was that the 1975 results "would not be equivalent to those that had been expected." This can hardly come as a surprise since the West German chemical industry as a whole has been badly affected by the recession.

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FRANKFURT, August 6.

LUFTHANSA, the West German airline, today announced a rights issue aimed at raising DM210m. Shareholders are to be offered shares with a nominal value of DM2.50 at a premium of DM2.50 per DM50 nominal share.

It was the increase in share price, coupled with the improved West German capital market which has persuaded the airline to make the issue. In doing so, they are following in the footsteps of other giants such as the Deutsche Bank and Bosch, which have been among the leading German concerns to increase their capital this year.

The rights issue, however, does not herald any major expansion plans. Lufthansa explained today that it was intended to improve the ratio between the equity base and fixed assets.

There has been no increase in nominal capital since 1968 and since then the airline has grown vastly. Turnover over the ten years has grown from 1963's DM8.85m. to DM3.3bn. while fixed assets have increased from DM800m. to DM1.5bn.

Lufthansa has been chary of forecasting its results this year, all that has been said is that it does not expect to make a loss. It has refrained from making a forecast of profits because of the current economic circumstances. However, passengers in the first quarter of the business year—the latest figures available—show an increase which has, it is understood, offset a decline in freight transport.

An interesting fact of the issue is that the independent shareholders in the airline—the West German Government holds some 73 per cent—are being offered either Preference and/or Ordinary shares. They will obtain them through a consortium of German banks led by the Deutsche Bank. The Government will obtain its shares direct from the Airline. All shares have enabled the airline to show a profit and, thus, pay a dividend.

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For the 1974 business year

American Motors hopeful

DETROIT, August 6.

AMERICAN MOTORS again omitted its quarterly dividend. The company last paid 10 cents per share in August 1974.

Third quarter (to June 30) earnings per share fell to 32 cents from 62 cents. Net income was \$10.1m. against \$18m. from sales of \$916m. (\$831m.). American Motors expects to be profitable in the fourth quarter ending on September 30.

It plans to increase its production of Pacers to annual rate of 184,000, up 50 per cent from original production rates in January, when the car was first introduced.

The company said that car sales in the third quarter were 95,500, up 42 per cent from the second quarter but below the year-ago 110,300.

Its share of the domestic market rose to 6.5 per cent in the quarter from 4.8 per cent in the previous period and 3.2 per cent in the first quarter, Reuter.

PLAYBOY ENTERPRISES will report a profit for the fiscal year ended June 30 but it will be "substantially lower than a year earlier," Chairman Hugh Hefner told analysts at a special meeting here. "The speculation that Playboy might report a loss for the year is unfounded," he said. "The company will be in the black."

Playboy reported losses of 3 cents a share for the third quarter and 4 cents a share in the second quarter after a profit of 27 cents a share for the first quarter. Earnings for fiscal 1974 totalled 64 cents a share, down from fiscal 1973's \$1.50. Reuter.

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CHICAGO, August 6.

Pessimism at Dai Ei Group

WRITING in the firms annual reports last Nakamura Dai Ei, president, said that business results were adversely affected by a general decline in consumer spending. He also expressed pessimism about the outlook for the current year, saying that proposed increases in power, gas and transportation charges will hurt consumer outlays.

Higher taxes and debt service costs helped to depress the retailers' net earnings. The company's effective tax rate rose to 59.3 per cent in 1974-75 from 50 per cent the previous year, largely as a result of a corporate income tax surcharge scheduled to expire in Dai Ei's fiscal year ending February 1976.

The annual report also showed that the company's average interest rate on short-term borrowings averaged ¥8.5bn. in the past fiscal year was 10.6 per cent, up from 8.2 per cent in the previous year.

Dai Ei opened nine new stores in 1974-75, expanded four existing outlets and merged one small store with a larger one. The group's total outlets to 263, including subsidiaries and franchise locations.

The company said it plans to expand its chain of specialty stores (54). As Japanese consumers are showing interest in a

TOKYO, August 6.

greater variety of merchandise; they are also becoming increasingly fashion conscious. The company also noted that it completed a major organisational realignment in 1974-75, based on recommendations made by Bous, Allen and Hamilton, of the U.S.

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Primrose Industrial growth

Financial Times Reporter

PRIMROSE INDUSTRIAL Holdings, the brick manufacturer, hived off from Aberdeen at the end of 1973, reported a 25 per cent increase in turnover to £28.7m. (£25.5m.) for the year to June 30, 1975. Profit before taxation is 26 per cent better at £4.3m. from £3.4m. Earnings per share rose to 50.1 cents from 36.0 cents previously and the dividend is lifted from 14 to 19 cents per share.

Profits before and after tax constitute new records. The results include consolidation of the loss in Claydon (near Dover, Kent) for the quarter to June 30, 1975.

The tax rate is lower than last year and will apparently remain low for at least the next few years. The reduction in tax arises from investment allowances on capital expenditure.

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Prospects threatened at CGE after growth year

BY ROBERT MAUTHNER

PARIS, August 6.

The giant French electrical group, Compagnie Générale d'Electricité (CGE), has announced an increase in consolidated turnover for the first half of this year, compared with the same period of 1974, of 16 per cent— from Frs.7.7bn. to Frs.7.9bn. after tax.

Telecommunications, with a turnover of more than 25 per cent in 1974, is the main contributor to the increase, ahead of the current rate of 16 per cent.

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FARMING AND RAW MATERIALS

Policing U.S. futures markets

WASHINGTON, August 6. THE COMMODITY Futures Trading Commission would try to involve the general public in regulating and policing U.S. commodity futures markets, said the Commission chairman, Mr. William Bagley.

He told a National Press Club luncheon that the CFTC planned a ten-fold increase in its surveillance of the nearly \$600bn. a year trading on the 15 U.S. commodity exchanges.

The Commission—established by Congress last April—is intended to improve credibility of the markets and expand their activities.

Mr. Bagley said that in its effort to reach out to the consumer and to the general public, the Commission would establish four public task forces.

In general, Commission decision-making meetings would be open to the public and a completely free posture would be adopted in dealing with freedom of information requests.

Data gathering and analysis to detect both intentional and unintentional manipulation would be increased, Reuter.

Canada cancels grain export offers

WINNIPEG, August 6. THE CANADIAN Wheat Board said it had withdrawn all offers of old and new crop wheat, oats and barley for export. A Board spokesman told Reuters the offers were withdrawn this morning so the Board could assess grain supply in the light of recent hot weather and drought in main growing areas.

The United Grain Company—a co-operative of grain elevators in Saskatchewan, Alberta and Manitoba—made a survey last week which showed sharp declines in grain output are likely this season.

It put the Spring wheat crop at 407m. bushels, against 511m. in its survey in June and against final output of 437m. last year. A Board spokesman said the Board previously announced the sale of 2m. long tons of red spring wheat and 1m. tons of durum wheat to the Soviet Union for shipment in the coming months.

It also has a long-term agreement with China covering the calendar years 1974-76, under which it has contracted to ship a minimum of 4.8m. and a maximum of 6m. long tons of wheat.

Reuter.

Government to ban sales of untreated milk

BY PETER BULLEN

THE SALE of untreated cow's milk would be banned five years from now as a public health measure, the Government announced yesterday.

Mr. Fred Peart, the Minister of Agriculture, said in a written reply to a Commons question that the only way to minimise the spread of milk-borne diseases was the effective heat treatment (pasteurisation) of milk.

"It is therefore the Government's intention from a date five years from now to prohibit the sale of untreated milk for liquid consumption, except in areas where an alternative supply of heat-treated milk is not readily available," he stated.

In the meantime, to reduce the risk of brucellosis—undulant fever in humans—the Government has decided that from August 1, 1977, sales of untreated milk shall be confined to herds that are accredited free of brucellosis.

Under the present brucellosis eradication programme, about two-thirds of the herds in England and Wales are now free of the disease. By 1977, 80 per cent. of the herds should be clear.

The Milk Marketing Board and the National Farmers Union both welcomed the decision to confine sales of milk to brucellosis-free herds after two years.

—The NFU had been urging that the milk should be introduced in only 12 months. But both rejected strongly against the proposed ban on sales of raw milk from 1980.

They are concerned about the effects on Britain's 5,000 or so producer-retailers of farm milk who supply 100,000 gallons a day about 2.7 per cent. of total supplies to consumers, mainly in rural areas.

Many are small dairy farmers who could not afford to install expensive pasteurisation equipment. Apart from the capital cost of the equipment, they are only relatively small, scattered rural rounds which would not justify the outlay, especially as many customers insist on untreated, farm-bottled milk.

The MMB commented that the Government's plan appeared almost unworkable. "It would involve yet more officials to define and police a proposal which would deprive many rural areas of first class fresh milk from a brucellosis accredited herds," he said.

The Minister said there would be consultation with the industry about the procedures for implementing the Government's decision.

Producers are bound to press the Ministry closely on the question of the proposed ban on sales of raw milk as they are not entirely convinced that a case for a complete ban has been made out.

It also urged the Government to give grant-aid to producer-retailers to install the necessary heat treatment equipment in order to preserve milk for supplying rural communities.

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Japan metal stocks plan

TOKYO, August 6.

THE JAPANESE Ministry of International Trade and Industry (MITI) will seek substantial appropriations for stockpiling non-ferrous metals in the national budget for the 1976 fiscal year starting in March.

This was considered necessary to help smaller domestic mines and to prevent wide fluctuations in copper prices. It was also needed to avoid cutbacks in Japanese stocks of non-ferrous metals over short long-term contracts, which often caused frictions with exporting countries.

The spokesman said that last year the Finance Ministry turned down a request for appropriations of about ¥700m. for stockpiling lead, zinc, nickel, copper and some rare metals. This year, however, MITI would redouble efforts to convince the Finance Ministry of the need for stockpiling.

Bank of Japan

MITI would also request the export-import Bank of Japan to extend ¥150m. for imports of copper, zinc and lead ores in the fiscal year starting in April. This was about the same as the bank supplied in the last fiscal year.

Our commodities staff writes: On the London Metal Exchange, meanwhile, copper prices declined again. The New York market moved sharply lower overnight and fell again at the opening but LME values were cushioned to some extent by the weakness of sterling. The copper price ended the day \$2.25 lower, at \$574 a tonne.

Strong speculative demand, following another rise in the Penang market, boosted tin prices yesterday. Tin prices were further encouraged by stop-loss buying in the afternoon, cash tin closed at \$2,176 a tonne, up \$33.

The lead and zinc markets were quiet but a flurry of activity lifted the cash price to \$533 a tonne, up \$2.25 at the close.

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FISHING LIMITS

South Africa faces

an Atlantic dilemma

BY OUR CAPE TOWN CORRESPONDENT

SOUTH AFRICAN foreign policy makers will face some awkward decisions soon on relations with states exploiting the fish of the South-East Atlantic.

This zone, sixth in importance on the list of 19-oceanic fishing zones of the world, now yields more than 3m. tons of fish to 14 nations annually, according to the latest (1972) FAO statistics.

South Africa's share of the total catch is about 1.3m. tons, but almost all of it is landed inside the 12-mile territorial limit. Its share of the hake fishery, which is now being exploited to the limit of its annual yield of about 1m. tons, has declined from nearly 100 per cent. in 1960 to just over 10 per cent.

Landings by Russia, on the other hand, have soared from 52,000 tons in 1965 to more than 100,000, while catches by Spain remain steady at 200,000 tons per year.

It is generally accepted in the fishing industry in Cape Town that South Africa's share of white fish landings outside the territorial limits declined because it used inferior vessels and gear and only took the decision to modernise its fleet after foreigners had captured the lion's share.

Now South Africa has some of the most modern freezer-trawlers afloat, equipped with the most up-to-date catching gear. But it is unable to increase its share of the catch because not only have foreign catchers sustained historic effort with equally modern hardware, but other nations have entered the race as well.

Mesh-size

Since July 1, however, the danger of over-fishing has been contained by implementation of internationally agreed limitation on the minimum mesh-size of trawls nets (110mm.).

The regulation is administered by the 11-nation International Commission for the South-East Atlantic Fisheries (ICSEAF), to which South Africa is a signatory. Other members are Russia, Spain, Japan, Belgium, France, East Germany, Cuba, Portugal, Bulgaria and Poland.

Odd as some of these bed-

fellows may seem, South Africa has welcomed the new system of disciplined catching which, hopefully, will eliminate some of the more undesirable catching techniques, such as mid-water trawling for baby hake.

To give teeth to the new regulations, ICSEAF has adopted a system of international inspection which permits member nations to inspect each other's trawlers at any time.

The next conservation move likely to be adopted by ICSEAF is the allocation of catch quotas to member nations—and this is where South Africa's dilemma begins.

If past experience is anything to go by, the system most likely to be adopted by ICSEAF will be based on historical share of the catch. Russia—doubtless backed by other Communist nations in ICSEAF—will press for this system, which will ensure that it gets the biggest quota. In fact, the Communists could find themselves in a majority situation if far-left forces triumph in Portugal.

South Africa's dilemma lies in the fact that, on the one hand, it needs to support ICSEAF for the sake of conserving the resource. On the other hand, if

it agrees to adopt a system of catch quotas, the other ICSEAF nations will be in a strong position to claim traditional rights should South Africa in the future wish to declare a 200-mile economic zone in line with majority thinking at recent UN Law of the Sea Conferences at Caracas and Geneva.

The movement among coastal states to declare 200-mile economic zones received a powerful thrust this week when the U.S. House of Representatives merchant marine and fisheries committee approved a measure setting up a 200-mile limit for protection of traditional fishing grounds and other resources of the continental shelf.

UN membership

What South Africa will do is difficult to say. It withdrew from the Geneva Law of the Sea Conference because it has taken under review the whole question of its membership of the UN and its agencies. If it decides to stay in the UN, South Africa will doubtless attend the next Law of the Sea Conference in New York in April.

In the meantime, the South African Government will probably adopt an attitude of wait-and-see, hoping that it will be swept along by a tide of further unilateral declarations of 200-mile zones among neighbouring states which would give it strong grounds to follow suit.

If this happens before ICSEAF has had an opportunity to allocate catch quotas, South African trawlers will suddenly find themselves with unfettered access to about 350,000 tons of hake in the Orange River and Agulhas zones of the south-east Atlantic. It will mean that foreign fishing nations will have to obtain licences from the South African authorities to continue catching in the south-east Atlantic or otherwise other Communist nations in ICSEAF will press for this system, which will ensure that it gets the biggest quota. In fact, the Communists could find themselves in a majority situation if far-left forces triumph in Portugal.

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Fall in greengrocery margins

BY RICHARD MOONEY

NET MARGINS in the fruit and vegetable wholesale and retail trade declined last year, the Price Commission says in a report published yesterday.

National wholesalers' net margins averaged 1.6 per cent. in 1974, against 1.8 per cent. in the previous year, while net retail margins fell from an average 4.1 per cent. to 2.8 per cent.

The Commission concentrated on multiple greengrocers in gathering its retail trade statistics, but says independent greengrocers, supermarkets and multiple grocers were likely to have experienced a similar pattern.

The report confirms the preliminary conclusion published last October that there was an upward trend during the first four months of 1975 in distributor gross margins for four commodities selected for study (apples, cauliflowers, carrots and onions). "But this trend did not continue for all these commodities throughout the year," the Commission says. "Although both gross margins and turnover increased during 1974, it is unlikely that this has led to increased net margins."

Though it can identify no single factor responsible for the fall in margins the Commission notes significant cost increases (especially for labour and transport, consumer resistance to higher prices and the 10 per cent. cut in distributors' gross margins as contributing factors).

The Commission has assessed from information gathered during the survey that out of every £1 spent in multiple greengrocers' shops during 1974, 67p represented the cost of the produce, 16p staff wages, 2p transport, 1p rent and rates, 1p packaging and 1p heating, lighting, telephone and other costs, leaving a margin of 3p.

According to the Commission's index, average weekly household expenditure on fresh fruit and vegetables rose by 33p to £1.45 between January and mid-June 1974. It fell from this peak during the summer months, before rising to end the year at £1.36.

These costs provided, or intended to provide, adequate inspection facilities for meat that was being imported, especially in containers.

The Ministry said that it was essential for the protection of public and animal health that appropriate authorities could inspect consignments. To do this they needed facilities to unload a container under the appropriate temperature con-

trolled, hygienic, conditions, and to thaw and examine a sample of meat, chilled or frozen, under balance under conditions which would not cause it to deteriorate. Only six ports have the necessary facilities: Avonmouth, Cardiff, Liverpool, London (Royal Group), Southampton, Southamptown. There have been licensed to continue importing the meat.

Dover (Eastern Docks); Great Yarmouth, Ipswich, Harwich, London (Tilbury); and Tyne (North Shields) have satisfied the Ministry that they will provide the facilities. If they fail to do so, they also will have to stop handling imported meat.

Meat handling ports cut

ONLY 12 ports in Britain would be allowed to handle imports of meat, chilled or frozen, under balance under conditions which would not cause it to deteriorate. Only six ports have the necessary facilities: Avonmouth, Cardiff, Liverpool, London (Royal Group), Southampton, Southamptown. There have been licensed to continue importing the meat.

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COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Based on the London Metal Exchange, an advance factor for the overnight fall in Comex and a subsequent lower opening in the London market, where Commission House selling was reported. But prices in the London market were cushioned by the continued weakness in sterling. Turnover \$400 tonnes.

Amalgamated Metal Group reported:

COPPER

WIREBAR

3 months

1 month

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STOCK EXCHANGE REPORT

Early improvement gives way to fresh downward drift

Share index down 2.4 at 287.2—Gilt-edged lower

Account Dealing Dates

Option
First Declared Last Account
Dealings Dealings Day
July 28 Aug. 7 Aug. 8 Aug. 19
Aug. 11 Aug. 20 Aug. 21 Sept. 2
Aug. 22 Sept. 4 Sept. 5 Sept. 16

* New time "dealings may take place from 9.30 a.m. two business days earlier.

Equity markets failed to consolidate on Tuesday's technical rally yesterday. Leading industrial shares opened a penny or so firmer in anticipation of renewed demand, but when this failed to materialise, prices soon began to drift gently downwards. The FT 30-share index closed 2.4 lower at 287.2, after the previous day's rise of 7.5. Once again, trade was at an extremely low ebb, although a little genuine two-way business developed in the early stages of the proceedings. Underlying sentiment was not helped by the continued weakness in sterling, which in turn undermined British Funds, particularly in the very late dealings when the tone was decidedly dull. The Government Securities index gave up 0.20 more to 60.27 for a two-day fall of 0.43.

Gilt dull late

Although activity remained relatively quiet, there was a further small expansion in business as measured by official markings of 3,387 compared with 3,359 on Tuesday, and 3,490 on Monday. Apart from sterling, which was up 6 pips on the better-than-expected half-year statement, a fairly lengthy list of company results produced little in the way of features. The trend in secondary equities was narrowly mixed, with changes few and far between. Falls and rises in FT-quoted industrials were equally matched.

Concern about sterling took a

stronger hold in British Funds, particularly at the end of the market. Speculative holders became unnerved as the day progressed and, although losses of 1 pips were clipped to 3 at the "House" close, a fresh slide began "after-hours" which took quotations down another 1 generally. The shorts also eased initially but, for no explicit reason other than bear covering, rallied to end higher in places. Here again, easeiness descended on the late trade, and various amounts extending to 1 pips were lost. Corporations showed scattered falls ranging to 1.

A fairly uneventful day in the investment currency market was notable only for a flurry of interest soon after the opening, which took the premium up to 91 1/2 per cent. Thereafter, business was extremely light and, despite the easeiness in sterling, the rate drifted back to close just 1 higher on balance at 90 1/2 per cent. Yesterday's SE conversion factor was 0.6409 (0.6338).

Banks quietly firm

Tuesday's firmer trend, which followed the base rate increases, continued yesterday in the big four banks, although the volume of business still left much to be desired. After the previous day's gain of 1, National Westminster improved 4 more to 190p, while Midland hardened 3 more to 228p. Barclays, 240p, and Lloyds, 185p, both closed unaltered. Overseas issues were irregular again, with Commercial Bank of Australia higher at 210p and Hong Kong and Shanghai 6p dearer at 203p. Bank of New South Wales receded 5 to 560p. Mercury Securities was an isolated firm feature in Merchant banks, rising 5 to 89p on the appearance of small buyers in a flat market. Slater Walker Securities (interim due August 19) hardened 2 to 64p. Schroders,

on the other hand, ran back to 360p in a restricted market.

Tuesday's small technical improvement was taken a limited stage further yesterday. "Royals", 260p, and Phoenix, 196p, both hardened 2, as did Commercial Union to 144p. Britannic Assurance was unmoved at 118p following the half-year figures.

Breweries drifted lower on lack of support. Scottish and New-

380p and Yorkshire hardened 2 to 86p.

Anglia TV "A" featured Tele-

visions, rising 4 to 58p.

Stores turn easier

There was scant follow-through investment support for leading Stores, which drifted back in slack trading after Tuesday's firm showing.

Marks and Spencer

relinquished 3 at 85p, as

while H. G. Fray gave up 4

at 148p. Unsworth's gave up a

penny at 77p, after 79p, but

Debenhams managed to close a

penny harder at 67p, after 68p.

Secondary issues stayed close to

overnight levels. Favourable

investment comment left Spirella

1 Armer at 40 1/2p, and Steinberg,

in reflection of the profits con-

traction, softened 1 to 14p. Among

Mail Orders, Empire Stores con-

tinued to attract investment

buying and gained 3 more at 61p,

while the new all-paid closed

higher at 85p premium.

After Tuesday's better showing

on "bear covering," leading

Electronics moved narrowly in

choice. BICC recorded a loss of

3 at 105p, after 108p, but Plessey

ended a penny firmer at 87p. GEC

were widely unaltered at 118p.

Secondary issues

hardly stirred from overnight

levels, apart from Rael Elec-

tronics, which moved up 1 to 300p

in a thin market.

A mixed Engineering sector

presented a fall of 6 to 236p in

Tra Tech Investments, but a rise of

4 to 68p in the latter.

Reflecting relief over the main-

stream dividend forecast, the

interim figures were expected to

be sharply lower.

Elsewhere, stocks

clipped 2 to 202p. Hawke,

a like amount to 25p and

Vickers 3 to 118p. Impressive

results, put James Austin Steel

53p, the latter despite lower half-

year earnings.

After a firm start, ICI drifted

lower on lack of support to close

at the overnight level of 248p.

Elsewhere, Chemicals, Hoechst gained 5

to 235p on the agreed bid from

CEI International, 1 better at 42p.

Still influenced by the record

profits, Benjamin Priest gained 2

at 100p, Dunlop, however, shed

more to 47p, but G. M. Frith eased

1 to 46p following reduced profits.

Recoil was a good market at

107p, up 3 and 1/2 pips.

G. A. W. G. Allen improved

2 further to 37p, but

profit-taking caused CompAir to

ease 2 to 50p and Spear and

Jackson gave up 3 to 75p.

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FT SHARE INFORMATION SERVICE

[illegible]

COMMONWEALTH & AFRICAN LOANS	
951	8991 - 1st. Adv. 5% 7-78
952	1894 - 2nd. Adv. 5% 7-78
953	1895 - 3rd. Adv. 5% 7-78
954	1896 - 4th. Adv. 5% 7-78
955	1897 - 5th. Adv. 5% 7-78
956	1898 - 6th. Adv. 5% 7-78
957	1899 - 7th. Adv. 5% 7-78
958	1900 - 8th. Adv. 5% 7-78
959	1901 - 9th. Adv. 5% 7-78
960	1902 - 10th. Adv. 5% 7-78
961	1903 - 11th. Adv. 5% 7-78
962	1904 - 12th. Adv. 5% 7-78
963	1905 - 13th. Adv. 5% 7-78
964	1906 - 14th. Adv. 5% 7-78
965	1907 - 15th. Adv. 5% 7-78
966	1908 - 16th. Adv. 5% 7-78
967	1909 - 17th. Adv. 5% 7-78
968	1910 - 18th. Adv. 5% 7-78
969	1911 - 19th. Adv. 5% 7-78
970	1912 - 20th. Adv. 5% 7-78
971	1913 - 21st. Adv. 5% 7-78
972	1914 - 22nd. Adv. 5% 7-78
973	1915 - 23rd. Adv. 5% 7-78
974	1916 - 24th. Adv. 5% 7-78
975	1917 - 25th. Adv. 5% 7-78
976	1918 - 26th. Adv. 5% 7-78
977	1919 - 27th. Adv. 5% 7-78
978	1920 - 28th. Adv. 5% 7-78
979	1921 - 29th. Adv. 5% 7-78
980	1922 - 30th. Adv. 5% 7-78
981	1923 - 31st. Adv. 5% 7-78
982	1924 - 32nd. Adv. 5% 7-78
983	1925 - 33rd. Adv. 5% 7-78
984	1926 - 34th. Adv. 5% 7-78
985	1927 - 35th. Adv. 5% 7-78
986	1928 - 36th. Adv. 5% 7-78
987	1929 - 37th. Adv. 5% 7-78
988	1930 - 38th. Adv. 5% 7-78
989	1931 - 39th. Adv. 5% 7-78
990	1932 - 40th. Adv. 5% 7-78
991	1933 - 41st. Adv. 5% 7-78
992	1934 - 42nd. Adv. 5% 7-78
993	1935 - 43rd. Adv. 5% 7-78
994	1936 - 44th. Adv. 5% 7-78
995	1937 - 45th. Adv. 5% 7-78
996	1938 - 46th. Adv. 5% 7-78
997	1939 - 47th. Adv. 5% 7-78
998	1940 - 48th. Adv. 5% 7-78
999	1941 - 49th. Adv. 5% 7-78
1000	1942 - 50th. Adv. 5% 7-78

61	62	Da. exp. 78-81	49	+1	-	-
LOANS (in \$mil.)						
47	36	Apric. Mkt. Exp. 39-40	44	22.74	18.64	
72	55	Apric. Mkt. Exp. 79-80	70	15.11	15.11	
100	91	" " FPI 1978-79	91	14.19	14.19	
107	97	Da. 1976 1978	106	14.47	15.99	
106	94	ICCT 1976 1978	95	+ 9	14.13	17.77
100	94	Da. 1976 1978	94	13.69	13.69	
99	94	Da. 1976 1978	96	9.99	20.90	
49	32	Da. 1976 1978	36	13.67	15.74	
24	18	" " " " " " " "	21	14.01	14.01	
75	54	" " " " " " " "	73	12.47	16.61	
72	53	Da. without 1978	73	13.52	16.37	
72	53	" " " " " " " "	73	13.52	16.37	

FOREIGN BONDS & RAILS						
1972		Stock	Price & %	Div Yield	%	End Yield
High	Low					
24	10 1/2	Antiochian Ry.	11 1/4	+4	—	—
28 1/2	10 1/2	Do. Spec. Pnd.	28 1/2	—	—	—
29 1/2	10 1/2	Berlin & Ag. Aca.	97	—	7 1/2	13.13
30 1/2	10 1/2	Do. Spec. Pnd.	97	—	7 1/2	13.13
31 1/2	10 1/2	Greens 7 1/2% Reg.	102	—	4 1/2	—
32 1/2	10 1/2	Great Ry. Aca.	97	—	5 1/2	10.06
33 1/2	10 1/2	Do. Spec. Pnd.	97	—	5 1/2	10.06
34 1/2	10 1/2	Int. Mined. Aca.	40	—	3	15.07
35 1/2	10 1/2	King 2 1/2% Aca.	25	—	2 1/2	10.49
36 1/2	10 1/2	Do. Spec. Pnd.	25	—	2 1/2	10.49
37 1/2	10 1/2	Lat. Am. Ry. Reg.	97	—	7 1/2	13.78
38 1/2	10 1/2	Do. Spec. Pnd.	97	—	7 1/2	13.78
39 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
40 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
41 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
42 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
43 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
44 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
45 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
46 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
47 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
48 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
49 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
50 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
51 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
52 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
53 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
54 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
55 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
56 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
57 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
58 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
59 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
60 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
61 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
62 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
63 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
64 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
65 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
66 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
67 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
68 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
69 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
70 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
71 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
72 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
73 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
74 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
75 1/2	10 1/2	Do. Spec. Pnd.	97	—	9 1/2	15.40
76 1/2	10 1/2					

AMERICANS									
1775	Stock	1	2	3	4	5	6	7	8
344	21	AFS	315		80				
345	21	AFS	349		80				10.2
44	21	Amor 31	315		80				
45	21	Amor 31	315		80				
46	21	Amor 31	315		80				
47	21	Amor 31	315		80				
48	21	Amor 31	315		80				
49	21	Amor 31	315		80				
50	21	Amor 31	315		80				
51	21	Amor 31	315		80				
52	21	Amor 31	315		80				
53	21	Amor 31	315		80				
54	21	Amor 31	315		80				
55	21	Amor 31	315		80				
56	21	Amor 31	315		80				
57	21	Amor 31	315		80				
58	21	Amor 31	315		80				
59	21	Amor 31	315		80				
60	21	Amor 31	315		80				
61	21	Amor 31	315		80				
62	21	Amor 31	315		80				
63	21	Amor 31	315		80				
64	21	Amor 31	315		80				
65	21	Amor 31	315		80				
66	21	Amor 31	315		80				
67	21	Amor 31	315		80				
68	21	Amor 31	315		80				
69	21	Amor 31	315		80				
70	21	Amor 31	315		80				
71	21	Amor 31	315		80				
72	21	Amor 31	315		80				
73	21	Amor 31	315		80				
74	21	Amor 31	315		80				
75	21	Amor 31	315		80				
76	21	Amor 31	315		80				
77	21	Amor 31	315		80				
78	21	Amor 31	315		80				
79	21	Amor 31	315		80				
80	21	Amor 31	315		80				
81	21	Amor 31	315		80				
82	21	Amor 31	315		80				
83	21	Amor 31	315		80				
84	21	Amor 31	315		80				
85	21	Amor 31	315		80				
86	21	Amor 31	315		80				
87	21	Amor 31	315		80				
88	21	Amor 31	315		80				
89	21	Amor 31	315		80				
90	21	Amor 31	315		80				
91	21	Amor 31	315		80				
92	21	Amor 31	315		80				
93	21	Amor 31	315		80				
94	21	Amor 31</							

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STOCKS AND		HIRE PURCHASE		STOCKS AND		HIRE PURCHASE	
1917	1918	Stock	Price	1917	1918	Stock	Price
127	127	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
128	128	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
129	129	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
130	130	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
131	131	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
132	132	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
133	133	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
134	134	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
135	135	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
136	136	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
137	137	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
138	138	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
139	139	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
140	140	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
141	141	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
142	142	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
143	143	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
144	144	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
145	145	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
146	146	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
147	147	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
148	148	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
149	149	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
150	150	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
151	151	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
152	152	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
153	153	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
154	154	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
155	155	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
156	156	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
157	157	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
158	158	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
159	159	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
160	160	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
161	161	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
162	162	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
163	163	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
164	164	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
165	165	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
166	166	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
167	167	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
168	168	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2
169	169	Alameda S. 10p.	17 1/2	2.34	2.11	7 1/2	7 1/2

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BEERS, WINES AND SPIRITS									
75	35	Allied Beer	57 1/2	19.0	2.8	8.0	9.5	70	
76	34	Anast. Dist. Co. 10p	39	1.38	2.9	7.7	7.8	74	
77	33	Ball's Champagne	35	0.55	2.8	7.6	7.7	73	
78	32	Ball's Champagne	35	0.69	2.8	7.6	7.7	72	
79	31	Ball's Anchor Sp.	94	5.1	3.4	8.3	5.5	71	
80	30	Beck's Champagne	94	5.1	3.4	8.3	5.5	70	
81	29	Bellingtons	94	5.1	3.4	8.3	5.5	69	
82	28	Bellingtons	94	5.1	3.4	8.3	5.5	68	
83	27	Buckley's 3 Brew.	57	0.91	4.5	4.9	7.7	254	64
84	26	Buckley's 3 Brew.	57	0.91	4.5	4.9	7.7	253	63
85	25	Burtonwood	57	2.52	3.8	6.8	6.8	11	
86	24	Carlsberg	120	45.25	4.2	4.2	4.2	338	62
87	23	Clark (Midwest)	35	4.02	10.2	16.3	4.6	100	
88	22	Clark (Midwest)	35	4.02	10.2	16.3	4.6	99	
89	21	Dunklers Sp.	147	3.58	3.8	8.0	8.0	100	
90	20	Dunklers Sp.	147	3.58	3.8	8.0	8.0	99	
91	19	Edwards	143	3.47	3.7	3.8	10.0	555	
92	18	Edwards	143	3.47	3.7	3.8	10.0	554	
93	17	Greenall L. 10p	20	2.76	20	13.7	5.4	20	
94	16	Greenall L. 10p	20	2.76	20	13.7	5.4	19	
95	15	Greenall Wharf	53 1/2	2.07	2.8	6.0	40.5	1.5	
96	14	Greenall Wharf	53 1/2	2.07	2.8	6.0	40.5	1.4	
97	13	Harold's 10p	110	3.52	2.9	7.7	7.7	2.2	
98	12	Harold's 10p	110	3.52	2.9	7.7	7.7	2.1	
99	11	Harold's 10p	110	3.52	2.9	7.7	7.7	2.0	
100	10	Harold's 10p	110	3.52	2.9	7.7	7.7	1.9	
101	9	Harold's 10p	110	3.52	2.9	7.7	7.7	1.8	
102	8	Harold's 10p	110	3.52	2.9	7.7	7.7	1.7	
103	7	Harold's 10p	110	3.52	2.9	7.7	7.7	1.6	
104	6	Harold's 10p	110	3.52	2.9	7.7	7.7	1.5	
105	5	Harold's 10p	110	3.52	2.9	7.7	7.7	1.4	
106	4	Harold's 10p	110	3.52	2.9	7.7	7.7	1.3	
107	3	Harold's 10p	110	3.52	2.9	7.7	7.7	1.2	
108	2	Harold's 10p	110	3.52	2.9	7.7	7.7	1.1	
109	1	Harold's 10p	110	3.52	2.9	7.7	7.7	1.0	
110	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.9	
111	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.8	
112	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.7	
113	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.6	
114	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.5	
115	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.4	
116	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.3	
117	0	Harold's 10p	110	3.52	2.9	7.7	7.7	0.2	

30	Am. Asph. Co.	25	2.95	4.40	2.25	22	22
31	Armstrong Steel	25	2.95	4.40	2.25	22	22
32	Asphaltum	25	2.95	4.40	2.25	22	22
33	Asphaltum	25	2.95	4.40	2.25	22	22
34	Asphaltum	25	2.95	4.40	2.25	22	22
35	Asphaltum	25	2.95	4.40	2.25	22	22
36	Asphaltum	25	2.95	4.40	2.25	22	22
37	Asphaltum	25	2.95	4.40	2.25	22	22
38	Asphaltum	25	2.95	4.40	2.25	22	22
39	Asphaltum	25	2.95	4.40	2.25	22	22
40	Asphaltum	25	2.95	4.40	2.25	22	22
41	Asphaltum	25	2.95	4.40	2.25	22	22
42	Asphaltum	25	2.95	4.40	2.25	22	22
43	Asphaltum	25	2.95	4.40	2.25	22	22
44	Asphaltum	25	2.95	4.40	2.25	22	22
45	Asphaltum	25	2.95	4.40	2.25	22	22
46	Asphaltum	25	2.95	4.40	2.25	22	22
47	Asphaltum	25	2.95	4.40	2.25	22	22
48	Asphaltum	25	2.95	4.40	2.25	22	22
49	Asphaltum	25	2.95	4.40	2.25	22	22
50	Asphaltum	25	2.95	4.40	2.25	22	22
51	Asphaltum	25	2.95	4.40	2.25	22	22
52	Asphaltum	25	2.95	4.40	2.25	22	22
53	Asphaltum	25	2.95	4.40	2.25	22	22
54	Asphaltum	25	2.95	4.40	2.25	22	22
55	Asphaltum	25	2.95	4.40	2.25	22	22
56	Asphaltum	25	2.95	4.40	2.25	22	22
57	Asphaltum	25	2.95	4.40	2.25	22	22
58	Asphaltum	25	2.95	4.40	2.25	22	22
59	Asphaltum	25	2.95	4.40	2.25	22	22
60	Asphaltum	25	2.95	4.40	2.25	22	22
61	Asphaltum	25	2.95	4.40	2.25	22	22
62	Asphaltum	25	2.95	4.40	2.25	22	22
63	Asphaltum	25	2.95	4.40	2.25	22	22
64	Asphaltum	25	2.95	4.40	2.25	22	22
65	Asphaltum	25	2.95	4.40	2.25	22	22
66	Asphaltum	25	2.95	4.40	2.25	22	22
67	Asphaltum	25	2.95	4.40	2.25	22	22
68	Asphaltum	25	2.95	4.40	2.25	22	22
69	Asphaltum	25	2.95	4.40	2.25	22	22
70	Asphaltum	25	2.95	4.40	2.25	22	22
71	Asphaltum	25	2.95	4.40	2.25	22	22
72	Asphaltum	25	2.95	4.40	2.25	22	22
73	Asphaltum	25	2.95	4.40	2.25	22	22
74	Asphaltum	25	2.95	4.40	2.25	22	22
75	Asphaltum	25	2.95	4.40	2.25	22	22
76	Asphaltum	25	2.95	4.40	2.25	22	22
77	Asphaltum	25	2.95	4.40	2.25	22	22
78	Asphaltum	25	2.95	4.40	2.25	22	22
79	Asphaltum	25	2.95	4.40	2.25	22	22
80	Asphaltum	25	2.95	4.40	2.25	22	22
81	Asphaltum	25	2.95	4.40	2.25	22	22
82	Asphaltum	25	2.95	4.40	2.25	22	22
83	Asphaltum	25	2.95	4.40	2.25	22	22
84	Asphaltum	25	2.95	4.40	2.25	22	22
85	Asphaltum	25	2.95	4.40	2.25	22	22
86	Asphaltum	25	2.95	4.40	2.25	22	22
87	Asphaltum	25	2.95	4.40	2.25	22	22
88	Asphaltum	25	2.95	4.40	2.25	22	22
89	Asphaltum	25	2.95	4.40	2.25	22	22
90	Asphaltum	25	2.95	4.40	2.25	22	22

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1970	13	♂	18.5	112	Good
1971	14	♂	20.5	115	Good
1972	15	♂	22.5	118	Good
1973	16	♂	24.5	121	Good
1974	17	♂	26.5	124	Good
1975	18	♂	28.5	127	Good
1976	19	♂	30.5	130	Good
1977	20	♂	32.5	133	Good
1978	21	♂	34.5	136	Good
1979	22	♂	36.5	139	Good
1980	23	♂	38.5	142	Good
1981	24	♂	40.5	145	Good
1982	25	♂	42.5	148	Good
1983	26	♂	44.5	151	Good
1984	27	♂	46.5	154	Good
1985	28	♂	48.5	157	Good
1986	29	♂	50.5	160	Good
1987	30	♂	52.5	163	Good
1988	31	♂	54.5	166	Good
1989	32	♂	56.5	169	Good
1990	33	♂	58.5	172	Good
1991	34	♂	60.5	175	Good
1992	35	♂	62.5	178	Good
1993	36	♂	64.5	181	Good
1994	37	♂	66.5	184	Good
1995	38	♂	68.5	187	Good
1996	39	♂	70.5	190	Good
1997	40	♂	72.5	193	Good
1998	41	♂	74.5	196	Good
1999	42	♂	76.5	199	Good
2000	43	♂	78.5	202	Good
2001	44	♂	80.5	205	Good
2002	45	♂	82.5	208	Good
2003	46	♂	84.5	211	Good
2004	47	♂	86.5	214	Good
2005	48	♂	88.5	217	Good
2006	49	♂	90.5	220	Good
2007	50	♂	92.5	223	Good
2008	51	♂	94.5	226	Good
2009	52	♂	96.5	229	Good
2010	53	♂	98.5	232	Good
2011	54	♂	100.5	235	Good
2012	55	♂	102.5	238	Good
2013	56	♂	104.5	241	Good
2014	57	♂	106.5	244	Good
2015	58	♂	108.5	247	Good
2016	59	♂	110.5	250	Good
2017	60	♂	112.5	253	Good
2018	61	♂	114.5	256	Good
2019	62	♂	116.5	259	Good
2020	63	♂	118.5	262	Good
2021	64	♂	120.5	265	Good
2022	65	♂	122.5	268	Good
2023	66	♂	124.5	271	Good
2024	67	♂	126.5	274	Good
2025	68	♂	128.5	277	Good
2026	69	♂	130.5	280	Good
2027	70	♂	132.5	283	Good
2028	71	♂	134.5	286	Good
2029	72	♂	136.5	289	Good
2030	73	♂	138.5	292	Good
2031	74	♂	140.5	295	Good
2032	75	♂	142.5	298	Good
2033	76	♂	144.5	301	Good
2034	77	♂	146.5	304	Good
2035	78	♂	148.5	307	Good
2036	79	♂	150.5	310	Good
2037	80	♂	152.5	313	Good

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STRIALS (Miscel.)							
	123		28	30	10.7		
	127		2.7	39	3.1		
109-	34		1.83	40	8.3		
	35	+1.2	2.2	41	2.8		
	36		2.2	42	8.8		
	37		2.2	43	7.8		
109-	11		3.22	44	1.8		
109-	12		1.40	45	2.1		
109-	21		2.7	46	8.4		
109-	22		10.7	47	7.7		
109-	23		2.3	48	2.1		
109-	24		1.90	49	17.2		
109-	25		1.8	50	3.5		
109-	26		1.8	51	11.3		
109-	27		2.3	52	16.3		
109-	28		8.2	53	22.0		
109-	29		20.5	54	2.2		
109-	30		2.42	55	7.4		
109-	31		12.32	56	1.7		
109-	32		16.5	57	9.8		
109-	33		7.35	58	20.4		
109-	34		2.2	59	17.9		
109-	35		8.84	60	1.8		
109-	36		2.7	61	4.2		
109-	37		12.68	62	3.1		
109-	38		2.47	63	2.9		
109-	39		65.11	64	17.3		
109-	40		3.11	65	2.4		
109-	41		1.58	66	8.2		
109-	42		1.58	67	11.2		
109-	43		12.44	68	7.7		
109-	44		17.06	69	2.4		
109-	45		2.50	70	8.6		
109-	46		2.95	71	10.5		
109-	47		3.15	72	9.5		
109-	48		4.4	73	15.2		
109-	49		8.0	74	13.3		
109-	50		2.7	75	3.1		
109-	51		5.24	76	3.4		
109-	52		1.95	77	2.7		
109-	53		2.83	78	10.7		
109-	54		3.36	79	1.8		
109-	55		10.5	80	6.8		
109-	56		1.90	81	1.3		
109-	57		1.11	82	1.3		
109-	58		1.40	83	1.3		
109-	59		1.40	84	1.3		
109-	60		1.40	85	1.3		
109-	61		1.40	86	1.3		
109-	62		1.40	87	1.3		
109-	63		1.40	88	1.3		
109-	64		1.40	89	1.3		
109-	65		1.40	90	1.3		
109-	66		1.40	91	1.3		
109-	67		1.40	92	1.3		
109-	68		1.40	93	1.3		
109-	69		1.40	94	1.3		
109-	70		1.40	95	1.3		
109-	71		1.40	96	1.3		
109-	72		1.40	97	1.3		
109-	73		1.40	98	1.3		
109-	74		1.40	99	1.3		
109-	75		1.40	100	1.3		

20p.	5		1.17	3.7	12.8	
30p.	16	-1	3.85	3.6	11.6	35
	28		3.01	3.4	16.3	24
A2	66	0.5	0.94	0.5	2.6	
15p.	32	-1	4.30	2.2	20.2	53
20p.	30		0.94		6.2	
Front	31					35.1
(new)	79		5.34	1.9	10.4	77
	58	-1	2.94	4.2	7.8	44
	8		0.77	5.0	14.7	21
7p.	29		3.85	1.8	20.4	42
	14		1.68	2.4	18.5	35
	22		1.05	2.9	7.1	6.0
	38		2.77	3.9	11.2	41
	24		2.69	1.9	17.2	46
	86		5.63	2.4	10.1	39

10p.	36	1.02	2.64	6.43
9p.	38	1.02	2.64	6.43
8p.	40	1.02	2.64	6.43
7p.	42	1.02	2.64	6.43
6p.	44	1.02	2.64	6.43
5p.	46	1.02	2.64	6.43
4p.	48	1.02	2.64	6.43
3p.	50	1.02	2.64	6.43
2p.	52	1.02	2.64	6.43
1p.	54	1.02	2.64	6.43
0p.	56	1.02	2.64	6.43
10p.	58	1.02	2.64	6.43
9p.	60	1.02	2.64	6.43
8p.	62	1.02	2.64	6.43
7p.	64	1.02	2.64	6.43
6p.	66	1.02	2.64	6.43
5p.	68	1.02	2.64	6.43
4p.	70	1.02	2.64	6.43
3p.	72	1.02	2.64	6.43
2p.	74	1.02	2.64	6.43
1p.	76	1.02	2.64	6.43
0p.	78	1.02	2.64	6.43
10p.	80	1.02	2.64	6.43
9p.	82	1.02	2.64	6.43
8p.	84	1.02	2.64	6.43
7p.	86	1.02	2.64	6.43
6p.	88	1.02	2.64	6.43
5p.	90	1.02	2.64	6.43
4p.	92	1.02	2.64	6.43
3p.	94	1.02	2.64	6.43
2p.	96	1.02	2.64	6.43
1p.	98	1.02	2.64	6.43
0p.	100	1.02	2.64	6.43

[illegible][illegible]

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India hint on freedom curb

By KEVIN RAFFERTY

MR. H. R. GOKHALE, India's Law Minister, yesterday dropped a broad hint that the Government was planning to introduce far-reaching legislation soon to alter the country's democratic constitution and restrict traditional rights such as the freedom of speech and association and possession of private property.

Mr. Gokhale was speaking during the short debate in the Rajya Sabha, India's upper house of Parliament, on the Bill to dissolve Mrs. Indira

Gandhi, the Prime Minister, of two High Court convictions for corrupt election practices in the 1971 general election campaign. Without the Bill—or a Supreme Court acquittal—Mrs. Gandhi would have had to step down from politics for six years.

The upper house yesterday duly passed the legislation nullifying the convictions retroactively without anyone speaking against it. The opposition continued its boycott in

protest against Mrs. Gandhi's crackdown, arrest of thousands of opponents including about 20 MPs, and curbs on Press reporting even of Parliament.

The Bill now goes to President Fakhruddin Ali Ahmed, a long-time political associate of Mrs. Gandhi, for his formal signature.

In the debate, which lasted only an hour, the Law Minister suggested that some politicians should not be subject to challenge in the courts. He

said: "At least some officers, if not all—I am referring to the President, Vice-President, Prime Minister and the Speaker—ought to be immune from judicial inquiry."

He went on to say that "the time has come to have a look at the entire framework of the constitution. The process has to start sooner or later."

Government supporters argue that stronger executive control is needed to allow the Indian Government to take

radical measures to improve the country's poor economic performance.

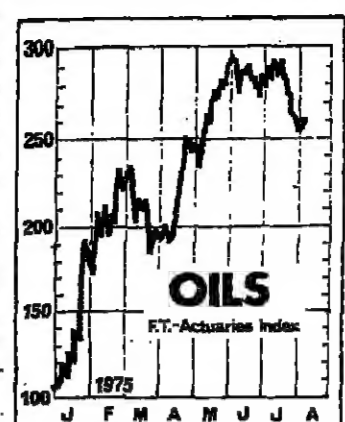
Members of the ruling Congress Party Government are known to have started a special study of other countries' constitutions, especially of one-party States like Yugoslavia, Tanzania and Bangladesh.

According to some reports coming from New Delhi, it is thought the Government might call a special session of Parliament by October to present constitutional amendments.

THE LEX COLUMN

Glynwed and the cash cycle

Index fell 2.4 to 287.2



Glynwed is a highly-g geared company operating mainly in the U.K. in cyclical sectors now being affected by the recession, but even so the interim statement offers some reassurance. Pre-tax profits are certainly £3.2m. down at £5.3m, and the full-year total is likely to be about £10.5m. against £15.7m. But the dividend (just under twice covered on projected earnings) is being maintained and the group talks of being ahead of its "cash budget."

The main reason for the half-year decline is a drop of about two-thirds to roughly £1.25m. pre-tax stock interest in the steel stockholding contribution—and there are no signs yet of any improvement in this cycle. There could also be a setback to come in re-rolling, which had a good first half. Elsewhere, there are hopes that profits will hold up well in fastenings, foundries, and on the building and consumer product side, where domestic appliance sales were 25 per cent higher in the first half and gas, cookers, first returned to profits. And there are definite prospects for a year. Within this trend, however, there have been some substantial swings.

The most important is the improvement which already seems to be under way within the U.S. itself. Shell Oil's second quarter was about an eighth on the balance sheet, which started the year with \$36.8m. of debt, against tangible shareholders funds of \$32.5m. Borrowings are now apparently about \$1m. higher, mainly for seasonal reasons. But lower working capital needs and fixed asset spending around, or slightly less than, last year's \$5m. could mean that, despite reduced cash flow, borrowings will fall by \$2m. to \$3m. over the year as a whole. This still leaves the question, though, of how the next upturn in the cycle—and rise in the copper price—is to be financed. A rights issue is hardly likely at the current share price, with a capitalisation of \$36.8m. and yield of 15.1 per cent. But the thought that moves to broaden the equity base will be necessary at some stage is likely to continue to overhang the shares.

See also Page 16

market in recent months. The U.S. majors have already reported, and shown signs of a distinctly steadier profits pattern. In aggregate, earnings for the big five were 40 per cent down on 1974's second quarter, but only 5 per cent lower than in the first three months of the year. Within this trend, however, there have been some substantial swings.

A generally lower level of activity—reflected in a slight drop in half-year turnover—should have a beneficial effect on the balance sheet, which started the year with \$36.8m. of debt, against tangible shareholders funds of \$32.5m. Borrowings are now apparently about \$1m. higher, mainly for seasonal reasons. But lower working capital needs and fixed asset spending around, or slightly less than, last year's \$5m. could mean that, despite reduced cash flow, borrowings will fall by \$2m. to \$3m. over the year as a whole. This still leaves the question, though, of how the next upturn in the cycle—and rise in the copper price—is to be financed. A rights issue is hardly likely at the current share price, with a capitalisation of \$36.8m. and yield of 15.1 per cent. But the thought that moves to broaden the equity base will be necessary at some stage is likely to continue to overhang the shares.

Based on this picture, market estimates for Shell's figures to-day seem to focus in the \$160m.-\$180m. region compared with \$230m. in the first three months. There is not much percentage in trying to guess BP's figures at this stage, but the probability is that its relatively low exposure to the natural gas and U.S. markets will leave it rather worse off than Shell. The debate now centres on how quickly the non-U.S. mar-

kets are going to turn the corner. The impression is that demand is steady in Western Europe (though not in Japan), but a noticeably softer trend on the Rotterdam spot market has stretched a few nerves in recent weeks. Volume there is very low at present. But there are few signs yet of any substantial stockbuilding ahead of the winter months or the next round of OPEC price talks this autumn. And an imbalance in demand between lighter products—which may already be picking up—and the heavy industrial fuels is becoming an increasing problem.

In their latest newsletter, brokers Wood Mackenzie suggest that a firmer trend could materialise as winter approaches, and that since oil demand has fallen much further than world GNP over the last two years, recovery may also be geared up when the economic cycle turns. The cost of alternative fuels has rocketed, the U.S. has failed to come up with a comprehensive energy programme, and other energy sources have shown little growth despite the jump in oil prices. On this basis, the brokers hope for a very sharp rise in demand next year.

Competition

This view is more optimistic than most. The extent to which consumers will attempt to get by with lower stocks is an open question, and so is the long-term impact of conservation measures on demand. Some analysts argue that competition in the market place will get worse before it gets better, and in Europe it still seems to be true that price-controlled territories are more profitable than the rest. The tanker slump reinforces the idea that oil company earnings are not going to rise and fall together in future.

Subject to to-day's news, however, Shell could be on a 1975 p/e of 51 or less, and the share yield over 6 per cent. So its substantial gas interests have not given it any new status relative to the U.S. majors. Meanwhile the sector's relationship with the producing countries has moved into a more relaxed phase, and a rising trend in earnings ought to be established next year. With the overseas hedge thrown in, it would require something quite nasty to threaten continued share price firmness.

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Benn wins Commons battle over Court Line

By Philip Rawstone

THE COMMONS last night upheld the Government's rejection of criticisms by the Ombudsman and company inspectors that Mr. Anthony Wedgwood Benn had misled Court Line holidaymakers by creating "false confidence" in the company's security.

Conservatives forced a division after Mr. Benn had refused to admit any error of judgment or apologise—but the Government carried the vote by 180 to 156, a majority of 24.

Mr. Wedgwood Benn, who wound up the debate amid Labour cheers and shouts of "Resign" from the Tories, said that if the Ombudsman's criticisms were accepted, it would imply a drastic change in relations between Government and industry.

Ministers would be afraid of trying to help companies in difficulties in case their actions were interpreted as providing firm guarantees, he said to Tory protests and cries of "Rubbish."

Mr. Wedgwood Benn insisted that his statements on the Court Line affair last year had not misled holidaymakers. "In none of my statements was the word 'guarantee' used," he said, and no serious newspaper had interpreted them as such.

He said the Government's actions had saved thousands of other holidays and jobs. "Court Line failed not because of the Government but because its directors had totally mismanaged their own business," he said.

Attack muted

In spite of the "wild and reckless" charges flung by the Opposition, Mr. Wedgwood Benn pointed out the Ombudsman had made no criticism of the honesty, integrity and public-mindedness of the Government's actions.

Mr. Peter Shore, Secretary for Trade, strongly supporting Mr. Benn, said any government was faced with a statement when it was involved in talks with companies in financial difficulty.

The Opposition attack on Mr. Benn was somewhat muted. Mr. Michael Heseltine, Opposition Industry spokesman, and Mr. William Whitelaw, Tory deputy leader, recognised the problems that had faced the Government in making public statements about the company.

Mr. Whitelaw told Mr. Benn: "There can be no great blame on a Minister who makes an error of judgment in a crisis situation." But it was clear Mr. Benn had erred in not making any reservations about the company's position.

The situation called for Mr. Benn to admit that error and to apologise for it.

In an earlier statement, Mr. Harold Wilson told the Commons the Government had gone further than was legally required in disclosing information about Cabinet committee proceedings on Court Line to Sir Alan Marre the Ombudsman.

Parliament, Page 12

Continued from Page 1

Scottish closures by BSC

As far as Scotland is concerned, the most encouraging report is that it provides for an expansion in the BSC's investment programme by about £150m., with the announcement and confirmation of six new projects.

This means that the Corporation will be carrying out some £500m. of capital expenditure in Scotland by 1980, providing 3,262 new jobs and counterbalancing the effect of closures elsewhere.

The previous Administration's White Paper of February, 1973, on the BSC's ten-year development strategy, said there would be a net loss of about 6,500 jobs in Scotland by the early 1980s.

Subsequently, the Corporation itself predicted a gross loss in job opportunities of about 7,000, to be partially offset by 2,400 new opportunities, giving a net job loss of about 4,600. Now that figure has been brought down to about 1,100 and because most of these job losses have been deferred by one or two years they can probably be accommodated completely by natural wastage.

Leyland men accept worker-director plan

By JOHN WYLES, LABOUR REPORTER

SHOP STEWARDS representing 145,000 British Leyland workers, gave the go-ahead yesterday to industrial democracy proposals which embody a commitment to a more wide-ranging system of joint consultation than is now practised in most other British companies.

Coming on the day after the Government's announcement of a committee of inquiry into industrial democracy and worker-directors, the overwhelming acceptance of the company's proposals on a 12-month trial basis by BL stewards was later described by one union leader as "very important and perhaps momentous."

BL's industrial democracy plans will lead to the creation before the end of the year of a three-tier system of joint management committees and councils covering its car and truck and bus groups who represent 90 per cent of the workforce but they stop short of giving workers representation at Board level.

This has been reluctantly accepted for the moment by the unions, who will nevertheless resume their pressure for worker-directors in the new machinery reviewed late next year.

The unions have pressed for 50-50 union-elected directors in their evidence to the Ryder inquiry on Leyland, which has eventually recommended that this question should be deferred until the Government determines its own policy.

Nevertheless, union leaders feel they have made a major industrial democracy breakthrough at BL and yesterday's meeting showed that management had generally been able to ally some of the heavy suspicions with which shop stewards had originally greeted its proposals.

After the stewards representing both manual and white-collar workers had discussed the plans at their meeting in Birmingham, their spokesman, Mr. Bob Wright, national executive member of the Amalgamated Union of Engineering Workers, said the unions were now convinced that they were being offered a deeper involvement than ever before in determining BL's policies.

The company statement of industrial democracy distributed to stewards at yesterday's meeting emphasised that new commitment to consultation by assuring that "matters generally seen as areas of management prerogative—such as new model and facilities planning, sales and marketing plans, financial per-

formance—must now be laid before employee representatives with the firm objective of developing agreed courses of action.

Management also confirmed that the consultative machinery would not discuss matters of pay and conditions— an undertaking which the unions regard as extremely important.

The detailed design work needed to implement the new approach will be performed by two ad hoc management-union working parties drawn from the car and truck and bus groups. On the union side, both will be dominated by nominees from the two strongest unions in BL, the AUEW and the Transport and General Workers' Union.

The working parties are expected to reconvene by October an agreed number of joint management committees for each factory and department within BL. They will also decide the method of election of the workers' representatives, who will almost certainly be all shop stewards.

Membership of the two joint management councils, which will be drawn from union membership of the lower-level committees.

TUC carries attack into boardroom. Page 14

Warning on new 'bureaucracy' of investment managers

By MARGARET REID

WARNINGS on the dangers of a new "bureaucracy of investment managers" as a result of recent moves, including those of the Bank of England, to mobilise GIC institutions' interests in industrial management, were sounded yesterday by a leading City institutional investor.

He is Mr. David Hopkinson, chairman of the investment management company M & M and GIC Group, one of Britain's largest unit trust concerns, with £500m. under management. He hit out at what he called the tendency to "encourage institutions to take a greater and larger part in managing companies."

He went on: "There are pressures on us the whole time to set up some body to guide and control."

Initiatives

Behind Mr. Hopkinson's remarks lie recent behind-the-scenes initiatives by the Bank of England and the Confederation of British Industry to encourage closer interest by institutional investors in the well-being of companies in which they hold shares.

The matter is one in which

the Government, which is setting up the National Enterprise Board to take state shareholdings in certain companies, also feels somewhat concerned.

Sir Henry Benson, the Bank of England's industrial adviser, has been sounding opinion in the City on ways in which a more direct role in assisting and financing industrial companies might be played by insurance groups, pension funds, unit trusts and other large institutional investors.

The CBI has been exploring an idea by which institutional interest in industrial companies' management might be concentrated by grouping institutions' shareholdings through so-called "investment trust companies," which could ask for representatives on Boards.

"This isn't what investment management is about," this is pithily said Mr. Hopkinson. "They should stick to their last. What worries me is this everlasting tendency of everybody to think they can do every body else's job better than their own."

Mr. Hopkinson, who until this week was chairman of the in-

vestment protection committee of the Association of Unit Trust Managers, said he was not opposed to intervention by institutional investors on an individual basis in companies' management. Where he felt current trends were going wrong was in formulating the concept of centrally-sponsored intervention.

That could place excessive burdens on the time of institutional investors, he said, and mean a bureaucracy of investment managers, with an organisational set-up instead of leaving companies to do their best.

In any event, institutions were not constitutionally fitted to act collectively, and their interests were not always the same.

"Yet we should be in much closer touch with the companies we are invested in," conceded Mr. Hopkinson—who is protesting at the omission of a Coats Patons final dividend at that company's recent annual meeting also called for appointment of non-executive directors to strengthen links with shareholders.

Weather

U.K. TO-DAY

HOT and sunny with scattered showers in the north and thundery rain in E. England.

London, S.E. England, E. Anglia

Hot and sunny, chance of thundery rain. Wind variable, light. Max. 29C (84F).

Cent. England, Midlands, Channel Is.

Mostly dry, sunny periods. Wind S., light. Max. 27C (81F).

E. and N.E. England

Mostly dry, sunny periods. Wind S.E., light. Max. 26C (77F).

S.W. and N.W. England,

Wales, Lakes

Sunny spells, showers. Wind S., moderate. Max. 25C (77F).

I. of Man, N.W. and S.W.

Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland

Sunny spells, showers. Wind S., moderate. Max. 20C (68F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. Scotland

Sunny spells, showers. Wind S. or S.W., moderate. Max. 23C (73F).

Orkney, Shetland

Sunny spells, showers. Wind S., moderate. Max. 17C (63F).

Outlook: Sunny periods, showers.

Lighting-up: London 31.10, Manchester 21.25, Glasgow 21.44, Belfast 21.46.

HOLIDAY RESORTS

Mid-day

Y-day

Y-day

Y-day

Y-day